



# GAUTENG PROVINCE

OFFICE OF THE PREMIER  
REPUBLIC OF SOUTH AFRICA

## SPEECH

### THIRD POLITICAL REPORT TO THE GAUTENG PROVINCIAL LEGISLATURE BY THE PREMIER OF GAUTENG, HONOURABLE DAVID MAKHURA

**6 December 2016**

Madame Speaker, Honorable Ntombi Mekgwe;  
Deputy Speaker, Honorable Dikgang Uhuru Moiloa;  
Chief Whip of the Legislature, Honorable Brian Hlongwa;  
Members of the Executive Council;  
Honorable Members of the Gauteng Provincial Legislature;  
Director General, Special Advisors and Senior Government Officials;  
Comrades and Compatriots;  
The People of Gauteng:

I would like to express my sincere gratitude to this House for granting me this opportunity to table the Third Political Report of the ANC-led fifth provincial administration, which I have the honour to lead with an abiding fidelity and a great sense of duty to the people of Gauteng.

Madame Speaker, before getting into the details of the Political Report, allow me to first pay tribute to President Fidel Castro Ruz, the leader of the Cuban people and a great friend of the freedom-loving people of Africa and Latin America.

I would like to convey my deepest appreciation to all members of this Legislature who have signed the Book of Condolences expressing messages of sympathy and support to the Family of President Castro and the people of Cuba.

I am proud to belong to a Legislature wherein Members are able to rise above party political differences and relate to one another as human beings and citizens. There was no point-scoring, just human solidarity!

Honourable Members, As Africans we truly owe an incalculable debt of gratitude to the people of Cuba for their selfless contribution to struggle for our freedom, peace, democracy and development in our continent, especially in Sub-Saharan Africa.

The Cuban sons and daughters - soldiers, doctors, engineers, architects and teachers - participated in the liberation struggle and the ongoing development of our country. Cuba provided and continues to provide quality education and training to many South African students who couldn't access these opportunities in the land of their birth.

Speaking at Cuba's Latin American School of Medicine (ELAM) in January 2014, United Nations Secretary General Ban Ki-moon had the following to say:

*"ELAM is does more than train doctors. You produce miracle workers....Your doctors are with communities through thick and thin...They are often the first to arrive and the last to leave...ELAM is one of the world's most advanced medical school which has trained more than 23 000 doctors from 120 countries, but Cuba can teach the world about healthcare...I want to join many others in saluting Cuba's healthcare system, rooted in primary healthcare, which has yielded outstanding results – lower infant mortality (4.2 per 1000), higher life expectancy (78 years), universal coverage. This is a model for many countries around the world".*

Madame Speaker, I am reliably informed that the mother of one of the Honourable Members of this House is a doctor trained in Cuba. President Fidel Castro's enduring legacy was to ensure that the Cuban revolution invests in people, especially the youth and the elderly. By building the education and healthcare system that truly humanises people and restores their human dignity, Fidel has helped to demonstrate that revolution is really about the people, not the leaders. He was an accomplished revolutionary and wonderful human being driven by love and passion for humanity.

Hasta el Victoria Siempre, el Comandante Fidel! Venceremos!

Honourable Members, we have just completed a comprehensive Mid-Term Review of the work of this ANC-led fifth administration. This Political Report will give some broad indications of the trajectory of progress and more details will follow in the 2017 State of the Province Address.

As I table this Political Report, I would like to make yet another call that we must be guided by evidence and facts, not political hyperbole. We must always ensure that honour and truthfulness are not estranged and expelled from the deliberations of this House in favour of a political rhetoric which may be good for an election campaign but bad for governance and nation-building.

We should avoid the type of political discourse that Jose Marti, Cuba's humanist intellectual and poet, has cautioned against: a politics in which "lies and exaggerations are knowingly spread...all manner of infamy is considered legitimate and all kinds of blows are good as long as they stun the enemy...in which even the prominent men (and women) believe themselves to be excused from the more trivial duties of honour".

Honourable Members, I subscribe to the type of politics that respects evidence; a politics that acknowledges sound reasoning even from opponents; a politics of optimism and eternal hope even in the face of adversity and difficulties. I don't subscribe to the politics of doom and gloom, scare-mongering and pathological pessimism. As an eternal optimist, I hope to

demonstrate, through this Political Report, that cynicism can be replaced with more progressive politics that is more inclusive, more transformative and more impactful.

In the 2014 Political Report, I made extensive reference to the World Bank Report “*Fiscal Policy and Redistribution in an Unequal Society*” published in November 2014. The evidence from the Report was that fiscal policy implemented by the ANC-led government has dramatically lifted 3.6 million people out of poverty and reduced extreme poverty by half – from 34.4% in 1995 to 16.5% in 2014.

In the 2015 Political Report, we quoted extensively from two reports: the JPMorgan Chase, “South Africa’s Gateway: Profiling the Gauteng City Region’s International Competitiveness and Connections” and McKinsey Global Institute Report, “South Africa’s Big Five Bold Priorities for Inclusive Growth”. Both reports provided persuasive evidence about the correctness of the sectors we have prioritised in pursuit of our programme for transformation, modernisation and re-industrialisation within the context of building a globally competitive Gauteng City Region.

In this year’s Political Report, I would like to start by making reference to a recent report released by the South African Institute of Race Relations titled, “*Life in South Africa: Reasons for Hope.*” The report begins with the following statement:

*“This report is about things that have gone right in South Africa. It features a selection of socio-economic successes we have achieved and the many ways in which life has become better. Some people will think it an odd time to release such a report. The context is one in which the economy is not performing strongly. Too many people are unemployed. There is a great deal of corruption. Violent protests are commonplace. Questions are being asked about the future of South Africa’s democracy. But amidst the turmoil, the SAIRR analysts see a story of a young democracy that has made a vast amount of progress in fields ranging from the economy and employment to living standards, poverty, education, healthcare and crime. This is not captured by screaming newspaper headlines but by the substantive progress we have made as a country since the end of apartheid. It is a story of hope amid change.”*

The Report indicates that the South African economy was 85% bigger in real terms and real per capita GDP was 33% higher than it was in 1994. The growth rate has averaged 3% was even up to 5% in the mid-2000s. Inflation has fallen from 9% in 1994 to 4.6% in 2015. The disposable income per capita in 2015 was 42% higher than it was in 1994.

Labour market participation for all South Africans, increased from 47.7 % in 1994 to 58.% in 2015 – an overall 21.8% rise. The number of people employed has almost doubled cannot be ignored – from 7.9 million in 1994 to 15.6 million people in 2015.

South Africa has made significant progress in improving living conditions. The number of households with access to formal housing has increased by 131.3% since 1996. Our own review confirmed that Gauteng has built 1.23 million RDP houses (31% of the national stock). The number of formal dwellings have increased from 74.4% in 2001 to 81.4% in 2016.

Levels of extreme poverty especially among Africans in 2015 stood at 19.8%, representing a real decline of 62% in levels of extreme poverty among Africans. South Africans across the racial divide are more educated, with a 124% increase in the proportion of South Africans aged over 20 who have completed post-school education.

The Report notes that the quality of our public health care system has also strengthened considerably, as indicated by the still birth rate which has declined from 27 deaths per 1 000 births to 21 deaths per 1 000 births – a decline of 22.2% between 2001 and 2014. Life expectancy has increased from an average of 56 years to 61 years owing largely to the interventions to treat 3.5 million people who are infected with HIV. With regard to violent crime, the murder rate has fallen from 68 per 100 000 in 1995 to 34 per 100 000 in 2015.

The SAIRR concludes on the following note:

*“as we face the future, we must not lose sight of the fact that life is better today than it was twenty years ago. In many areas, it is a lot better. Analyses to the contrary are incorrect on the facts. Examples of success can even be found in areas most commonly associated with abject failure – such as education, poverty, service delivery and crime. Good analyses of South Africa are those that are able to read the good with the bad and tolerate the apparent contradictions to reach conclusions that say: Yes, we have problems, but we have also made remarkable progress that serves as a foundation upon which we can build a much better country”.*

To deny all the evidence and facts and attempt to throw mud at the government even on things we are doing right is cheap politicking that is aimed at winning the next elections at all cost, even at the cost of being both honourable and truthful.

### **Progress and challenges on the Economy**

As Gauteng province, we continue to make progress on a number of areas. Gauteng’s economy grew from R504 billion in 1995 to R952 billion in 2014, translating to a growth of 89%. Gauteng’s contribution to national GDP grew from 33% to 35.1% in 2015.

GDP per capita for Gauteng grew from R74 052 in 1996 to R81 821 in 2015, a growth of 10%. For Africans in Gauteng, per capita income grew from R9 981 in 1996 to R41 416 in 2015, representing a growth of 315%. Over the past ten years, the provincial economy has consistently grown above the national average, at 4.5%.

During the second quarter of 2016, our provincial economy grew by 2.9%, up from 0.1% in the first quarter. In this period, Gauteng recorded the highest number of new jobs created in the economy - 126 000 new jobs, compared to 93 000 in the Eastern Cape and 49 000 in the Western Cape. Gauteng unemployment rate declined by 0.4%. The key sectors that are driving recovery are manufacturing (8.1%), finance (3.3%), agriculture and agro-processing and transport (2.8%). These are facts born out of the September Quarterly Labour Force Survey.

Of course, we all know that this is not enough. We need our economy to create at least five hundred thousand (500 000) jobs per annum if we are to deal with the scourge of unemployment, and the perennial challenge of rapid urban migration. We are confident that the fourth quarter of 2016 will continue the positive trajectory on jobs. It is worth remembering that in 2015, our provincial economy created 209 000 jobs in the formal economy and 151 000 jobs in the informal economy.

Honourable Members, the work we are doing with the private sector to revitalize the township economy and unlock the potential of strategic sectors of the Gauteng economy is beginning to bear fruits. In June this year, we convened an Economic Indaba which extensively discussed and agreed on the new *Provincial Economic Development Plan: A Partnership for Inclusive Growth and Shared Prosperity*.

Flowing from the Economic Indaba, we have intensified engagements with key sector and industry leaders – automotive, machinery and capital equipment, business process outsourcing, aerospace and defence, food and beverages and ICT - through firm-level visits and meeting with industry leaders in order to address all impediments that hinder the growth of key sectors in order to unlock their potential for employment, empowerment and export. This work will be intensified in 2017.

This year, we have also been implementing, in a vigorous and consistent manner, the new provincial International Relations (IR) Strategy that supports the priority sectors of our economy in line with our programme for radical transformation, modernisation and re-industrialisation. The strategy identifies key countries, city regions and cities in Africa, BRIC, Asia, Europe and the Americas whose economies are compatible with the Gauteng economy and promotes mutually beneficial twinning agreements with such economies. The focus of our international trips is to increase the intensity of engagements and measure results being achieved in such trips based on the growth of the priority sectors of our economy.

Our work with embassies and transnational business chambers based in Gauteng has also intensified as part of promoting the Gauteng City region as a preferred destination for business tourism and investment.

Of particular significance, we hosted two important international business conferences in our province: Invest in Namibia Business Seminar and South Africa-Italy Summit. These business conferences have helped to enhance trade relations and have another potential to increase the export of our local manufactures and business services. Next year, similar business conferences will be held with other SADC, EU and Asian countries in our province.

Through the disciplined implementation of our IR strategy, we are boosting exports from Gauteng, while at the same time attracting FDI into the province and increasing tourism. Currently, 41.4% of total tourist arrival in South Africa (3.7 million people) first come to Gauteng for few days before they can go elsewhere in the country. The intensity of our international engagements has led to the FDI inflows into our province increasing from R21 billion in 2015 to R28 billion in 2016, creating additional 8 459 jobs. Between 2014 and 2016, the GGDA facilitated trade and investment activities of close to two hundred companies.

### **Revitalising and mainstreaming the township economy**

We have been taking decisive steps to revitalize and mainstream the township economy. There is ample evidence to demonstrate that, step by step, we are succeeding in catalyzing sustainable and meaningful economic activity in our townships. Already all linen contracts in our hospitals have been awarded to women owned enterprises a number of whom are based in the townships.

As the Provincial government, we are committed to spend 30% of our goods and services budget on procuring from township suppliers and enterprises. At the end of the second quarter of this year, we had already exceeded the 18% target for 2016/17, and we spent over R6.8 billion procuring goods and services from 1 600 township suppliers. Municipalities have also spent more than R4.2 billion on procuring goods and services from township enterprises just in the 2015/16 financial year.

Over the past two years we have provided financial and non-financial support to a total of 25 526 SMMEs, township enterprises and co-operatives. In addition, we are currently developing over 700 township based suppliers, fitting them into our supply chain and introducing them to the provincial government's large suppliers for absorption into their value chains.

Honourable Speaker as we said in the Political Report last year, we as this ANC-led provincial administration are driving positive change in the township economy.

I am also happy to report that we have begun working on assessing the impact and how we can better utilise our significant procurement muscle to support localisation and industrialisation.

Going forward we will be deliberate in using such significant procurement spend to boost localization, reindustrialization and the revitalization of the township economy!

### **Progress on Tshepo 500 000 – giving hope to the youth!**

The trajectory on youth interventions is very positive and promising.

Although the unemployment rate has dropped by 0.4% during the second quarter of this year, unemployment in general and youth unemployment in particular, remains very high.

Through our youth flagship programme, Tshepo 500 000, we have intensified our efforts to unlock opportunities for young people so that they can have easier access to employment and entrepreneurship opportunities.

Since the launch of Tshepo 500 000 in December 2014, a total of 354 633 young have benefitted from this programme in the following areas of focus:

- **Facilitating the placement of young people into permanent jobs: 91 561** permanent jobs in private and public sector institutions;
- **Training and skills development: 145 321** young people trained in areas of high demand in the labour market;
- **Entrepreneurship development and business development support for the youth: 15 121** young people are now accredited entrepreneurs who are receiving support from our procurement processes and supplier development programmes of our partner organisations in the private sector and state-owned enterprises.
- **Youth participation in the public employment schemes - 102 630** young people have benefitted from Expanded Public Works Programmes.

Honourable Members, these are the stubborn facts and irrefutable evidence that show there are indeed reasons for hope!

These are no just statistics, but actual human beings and real young people who might have fallen through the cracks if there was no determined effort and focus to give them hope.

With the support of the Harambee Youth Employment Accelerator and the commitments made by business in the recent engagements we had, we will definitely exceed the 500 000 target we set for ourselves.

I would like to take this opportunity to thank all the private sector organisations and State Owned Enterprises that have partnered with us in giving hope to our youth.

### **Building an activist, accountable, responsive and clean government**

Honourable Members, two and half years ago, we made a commitment that the ANC-led fifth administration will distinguish itself with regard to promoting the values of integrity, accountability, responsiveness, transparency, activism and excellence in serving the people of Gauteng.

More than anything, we would like to assert boldly and loudly, through conviction and action, that the ANC is capable of governing with integrity and competency. Equating corruption and incompetence with the ANC is the kind of red-baiting that should never go unchallenged.

The trajectory on our approach to governance is very positive and should be sustained. We have lived up to this commitment as we have launched key initiatives and have taken major decisions to instill these values into the work and operations of every level of the fifth administration.

We introduced the Ntirhisano Rapid Response System and Service Delivery War Room to ensure that all government departments and municipalities respond promptly to the concerns and complaints of communities and citizens.

The relative success of Ntirhisano as a community and stakeholder engagement platform, has been well documented over the past two years. All the issues arising from Ntirhisano public meetings and stake holder engagements are now being integrated into the departmental budgeting processes and annual performance plans.

There are good stories on the ground and many testimonies from communities and sectors such as the taxi industry, women, youth, young women, senior citizens and industry leaders about how Ntirhisano has changed their negative perceptions of government.

In October this year, we visited Karan Beef in the biggest beef producer in Africa located in Lesedi municipality. Earlier in September, we had visited Heineken Brewery's Sedibeng Plant in Midvaal. These were part of the Ntirhisano engagement with the food and beverages sector. On my arrival at Karan Beef, I was pleasantly informed by Mr Ivor Karan, Chairman and Founder, that all their perennial problems raised with previous administrations over a period of a decade – inadequate supply of electricity and intermittent electricity cuts; need for additional certificate for water license; congestions on R23 and R549 were resolved by Ntirhisano Service Delivery War Room within two weeks.

In the same vain, we remain steely in our determination to win the war on corruption and promote impeccable integrity, transparency and accountability in all the decision-making processes of our government.

One of the most powerful instruments in fighting corruption is to ensure transparency of the public procurement system. We have now expanded the Open Tender Process from two departments to all departments, covering fifteen departments.

Currently 72 projects worth R10 billion have been awarded using the Open Tender System. We are very proud of the fact that Gauteng is the leader in promoting open government principles. This approach has received public commendation from civil society, business and government leaders.

Speaking at the Gauteng Open Tender Seminar held in October this year, Finance Minister Pravin Gordhan had the following to say about the Open Tender Process:

*“I congratulate the Gauteng Provincial Government on its determination to make procurement more transparent. The greater the spotlight that shines on procurement, the better. The Open Tender approach has practically demonstrated how public confidence in the procurement process can be restored”.*

In the 2017/18 financial year, the Executive Council will table a bill to ensure that the Open Tender System becomes an Act of our Provincial Parliament.

We should bequeath this kind of openness and transparency in governance to future generations. Never should it be possible for procurement processes to be flouted to favour friends or family. Not under our watch!

Madame Speaker, as part of our commitment to clean government, we have instituted disciplinary proceedings against 125 officials who were involved in financial misconduct, including HODs. To date, two HODs have been dismissed for serious acts of misconducts. There is no place for officials who are prone to misdemeanors ours in the Gauteng provincial government. Not under our watch!

As part of strengthening the fight against corruption, the Executive Council has approved a strict regime of anti-corruption and integrity guidelines that will ensure that we have clean governance and administration.

Among the measures we will put in place is the appointment of a civil society-led Integrity Promotion and Anti-Corruption Advisory Committee which will be chaired by a retired judge. The role of the Committee will be to vigorously enforce the guidelines and promote clean governance in our province. This Committee will help must sustain the trajectory of clean governance and ethical leadership at every level of the administration.

Honourable Members, we have been hard at work promoting a culture of excellence in the way we run the administration and deliver services to the people of Gauteng.

Madame Speaker, allow me to congratulate the Gauteng Treasury for winning two silvers and a gold at the 2016 Batho Pele Awards for the Best Provincial Department and Most Ethical and Professional Department. Treasury HOD, Ms Nomfundo Tshabalala, is now acknowledged as the best Provincial Head of Department in the Republic.

I also convey my heartfelt congratulations for the Gauteng Department of Education for winning the 2016 Centre for Public Service Innovation Ministerial Award for successfully deploying ICT in education in an and unparalleled and unprecedented way.

The Department of Roads and Transport's Revenue collection system, REMS, which won the award last year has been nominated for the African Union's Public Service Innovation Award.

Lastly, according to the 2015/16 assessment conducted by the Office of Health Core Standard Compliance, Steve Biko Academic Hospital is the best central hospital in the Republic at 96%, Helen Joseph leads the national tertiary hospitals at 83%, while Leratong and Rahima Moosa leads the regional hospitals nationally with 80% and 86%, respectively.

All these are some of our centres of excellence in the delivery quality public services and these make us proud residents of Gauteng. We are taking steps to reignite excellence in everything we do.

Accordingly, I would like to inform this House that the Executive Council has re-instated the Premier's Service Excellence Awards to encourage public servants, civil society and business leaders to cultivate excellence and partnership in working to achieve the goals and vision of Transformation, Modernisation and Re-industrialisation. The awards will take place on 28<sup>th</sup> February 2017.

We are a province that attracts individuals and organisations that thrive in competition and excellence. The awards are therefore not limited to public servants.

Through the Premier's Service Excellence Awards, we shall reward outstanding performance in all sectors, while at the same time taking action against those who use the public service as a parking bay for incompetent managers and lazy workers.

In the 2015/16 financial year, our departments and entities answered the call for excellence in the management of public finances. Accordingly, 60% of the auditees got a clean audit, while the remainder of the 40% got unqualified audits with matters. We have totally eliminated adverse and disclaimers from our province. We are pushing forward with the goal of 100% clean audits. The Department of Health and G-Fleet are the most improved. There is no turning back. Not under my watch!

We are pleased to announce that during the 2015/16 financial year we saved R385 million in fruitless and wasteful expenditure because we paid our invoices on time and contained litigation expenses. We have also recorded a 25% reduction in irregular expenditure, and saved R400 million over past two years on non-core spending.

With regard to the performance evaluation of all national and provincial government departments by the Department of Performance Monitoring and Evaluation through the

MPAT, our province has shown tremendous improvement from 2.02 in 2011 to 3.1 in 2015, moving Gauteng from the fifth position to the second position, after the Western Cape.

Honourable Speaker, the trajectory on infrastructure investment is beginning to turn upward. Infrastructure is the backbone of any modern economy and we have continued to prioritize infrastructure investment as part of our efforts to realise inclusive growth and shared prosperity,

We are pleased to announce that we have allocated R44 billion over the next three years for infrastructure development. In the current financial year we will be spending R13.2 million on infrastructure. We have also reestablished the infrastructure spending committee to accelerate infrastructure spending and ensure we have a proper project pipeline.

Our infrastructure funding agency GIFA has taken to market projects totaling R5 billion and through our infrastructure master plan and the work done by GIFA, there is a potential to leverage R40 billion in private sector investment.

Gauteng has delivered 1.23 million RDP houses over the past decades. And yet, the housing backlog remains at a staggering six hundred thousand (600 000) due to rapid urbanization. With regard to human settlements infrastructure, we will only see better outcomes and impact once we move full steam into delivering mega human settlements.

More work is being done to complete all legacy small-scale projects the current financial year so that we can move to mega human settlements delivery in 2017/18 and 2018/19. Only then shall we see a more positive trajectory.

Honourable Speaker, in the State of the Province Address last year we indicated that we have been having extensive engagements with the taxi industry on our public transport plans as well as the industry's place in our modern public transport system. We said we will work with the industry to address problems related to operating routes and licenses all which contribute to violence in the industry.

We have now adopted an 8-point Intervention Plan agreed at the taxi Industry Summit in July. Many of the problems and wrong things identified by the Portfolio Committee are now being corrected and resolved through this Plan.

During the 2017 SOPA, we will announce exciting plans about the expansion of the Gautrain and further work on the BRTs and Metrorail. All these plans will keep public transport on a positive trajectory.

Accordingly and in order to fast-track transformation and empowerment in the taxi industry, I appointed an Exco Political Steering to deal with all matters pertaining to the taxi industry, including permits, law enforcement, integration into the public transport system and economic empowerment.

In addition, we will be discussing with municipalities the best ways of turning taxi ranks into assets that will benefit the industry, especially with regards to advertising revenue generated at these taxi ranks. We have also decided to fully integrate the taxi industry within our broader Township Economy Revitalization Strategy. This we are doing as an acknowledgement of the taxi industry's role in the social and economic landscape of our townships.

### **Accelerating Social Transformation**

Madame Speaker, we have also been intensifying our work on social transformation in line with our comprehensive Accelerated Social Transformation Strategy.

Together with the economy, education remains the most important area of focus of our administration. It is an area of tremendous progress and outstanding performance by our province. We run a huge public education system and which is governed and managed quite well.

Enrolment in our public schools has grown from just over 1.3 million learners in 1994 to 2.3 million learners in 2016. The gender gap in respect of enrolment is zero in primary schools. More girls complete schooling at Grade 12 than boys. More than 1.7 million girls are attending educational institutions in Gauteng and in 2015, 83.2% of Gauteng female learners passed matric.

Between 2013 and 2015, we invested R450 million in bursaries that put 8 400 students through higher education. In 2016 alone, the provincial government and municipalities have spent more than R550 million in bursaries for academically students from poor households, most of whom are women.

We have been providing 300 000 dignity packs to learners who cannot afford them and have now decided that by 2019 we would like to have reached a million girl learners in public schools in our province. This will enable them never to miss school again because of a lack of access to sanitary products.

We have taken further steps to ensure that educational outcomes meet the needs of our economy and society. Schools of specialization and sector education and training authorities programmes are being coordinated and aligned to interventions like Tshepo 500 000.

In 2017, we will launch the Provincial Human Resource Development Council which will ensure that all skills development efforts and training initiatives and players collaborate to strengthen talent development, innovation, research and development capabilities of our province.

In the 2015 Gauteng City Region Quality of Life Survey, 69% of respondents are either “very satisfied” or “satisfied” with the care they receive from the health facilities. More than 80% of the population have no medical aid and therefore rely on public health care system.

Madam Speaker, the Gauteng provincial government manages one of the biggest public healthcare systems in Sub-Saharan Africa. Gauteng Department of Health employs 67 000 staff members. On an annual basis Gauteng hospitals service 7,1 million patients in 36 hospitals, 36 community health centres and 375 clinics. We provide health services to patients from our neighbouring provinces such as Limpopo, North West, Free State and Mpumalanga. Our annual provincial health budget is a whopping R34 billion, which is bigger than some of our neighbouring countries. We also provide services to patients from SADC countries who contribute substantially to revenue.

There is evidence that the interventions being taken to stabilize the Department have yielded positive results as the finances are more stable and there are recorded improvements in public health facilities. An objective and independent assessment will arrive at the conclusion that Gauteng Health was also on an upward trajectory, with the exception of the manner in which the de-institutionalisation of mental health was handled by the Department.

I would to share with you an email I received from Ms Motloutse from Soweto earlier this year who bears testimony to the progress we are making:

*“On the 11<sup>th</sup> of November 2015 I had the pleasure of consulting with the gynae department at Baragwanath Hospital. To my pleasant surprise, everything was handled so proficiently. To elaborate more on the surprise: everybody has an impression on state services and it is not flattering at all. To my pleasant surprise it was the opposite of what I had expected. I was expected to report for duty at around 17:00 in the evening. At the hospital I was told to be there between 07:30-08:00. When I left the house, I prepared for work, in case I delayed. I prepared myself to leave from the hospital to work. I got to the hospital just before 09:00. When I got in, the queue was so long! The whole waiting area was full, including the line for the clerk's office. I had to stand on my feet, on the clerk's queue, that's how full it was.*

*That whole reception area was cleared by 11:00am!!! Imagine my surprise when I still had about 6hrs before I had to go to work! I think I saw about 10 doctors from one point to another. There was a Doctor Eldridge, who was directing the queue. Telling people which section they need to go to, monitoring how quickly the lines moved, and so on. The energy around was that of professionalism, respect and kindness. If this is how our people are treated on a daily basis, I would urge the department to keep it up. It restores people's dignity and not once did I feel like I was in a public hospital. When I went to drop off my appointment letter to the X-ray department, I went past another section, where there were a lot of people. They had queue marshals who made sure people didn't stand unnecessarily long on wrong queues.*

Ms Motloung concluded her email by saying; *“Please keep up the level of service you render. Hopefully it would only go up from here”*. This is a wonderful story.

Madame Speaker, we are also aware that there are painful stories of mental health patients who have died under the care of our provincial Department of Health.

I would like to state categorically that we regret any loss of life because healthcare is about saving lives. We grieve with families of those who have died in our health facilities and share their pain. Any death causes enormous pain and anguish among bereaved families.

As the Premier, I would like to assure the bereaved families that I will take all the necessary action to ensure that justice prevails. My view is that the de-institutionalisation of mental health patients with a correct policy could have been handled better. I await the findings of the investigation of the Office of the Health Ombudsperson so that we can hold the relevant people responsible and accountable. Should it be found that government officials have acted improperly or negligently, I will act without fear, favour or prejudice. This matter has caused pain and anguish. I am planning to meet with all affected families in the next two weeks.

Honourable Speaker, our performance on crime prevention remains an area of negative trajectory owing largely to the inability of our crime fighting agencies to decrease levels of crime. Crime levels and the vulnerability of our citizens keep me awake at night. In particular, crimes perpetrated against women and children as well as the trio crimes are spiralling out of control. We need a fresh approach that is driven by specialized police units.

On the 25th of November we launched the 16 Days Campaign of No Violence Against Women and Children at Ikhaya Lethemba, in Braamfontein. We were moved by the stories shared by women who have been empowered and have emerged victorious from their past of abuse and humiliation and are now living normal lives because of the amazing work done at Ikhaya Lethemba and the other centers across the province.

Among the survivors of gender-based violence who have now taken charge of their lives are - Mirriam and Belinda – who are now ambassadors of the campaign against women and child abuse. The success story of Ikhaya Lethemba is best told by the women and children who emerged from victimhood to become conquerors of adversity. More than 300 women and children have been assisted to rebuild their lives.

I also would like to take this opportunity to thank the staff at Ikhaya Lethemba and the twenty five other shelters across Gauteng, which are working with the Departments of Social Development and Community Safety, the South African Police Service and the NPA to combat the scourge of gender based violence. Your commitment is highly commendable. We must all take action to end violence against women and children, which has become so costly socially, economy and spiritually.

We wish to restate our commitment to building a safer Gauteng for women and children. Our specific interventions in this regard include:

- The implementation of the Gauteng Safety Strategy which has a specific focus on enhancing social crime prevention.
- Over the past three years we have trained 93 forensic social workers to boost our conviction rates.
- We continue to call for tougher sentences for perpetrators of gender based violence.

To provide further support to victims of gender based violence, we are establishing victim friendly rooms in our police stations. Currently 141 police stations in Gauteng have victim friendly rooms. We have also established 3 regional victim offices; in Duduza, Orange and Tembisa.

People of Gauteng, we are determined to reduce the overall level of crime in Gauteng. We know for instance that last year, 9.1% of Gauteng households experienced crime. This figure is well above the national average of 7.5%. Linked to this is the reality that 78.7% of Gauteng households feel safe during the day, while at night only 32.8% feel safe.

We are also pleased to report that a comprehensive Gauteng City Region Policing Plan has been adopted in November and launched publicly in December. The deployment of police officers all over the province and their high visibility has been agreed as part of turning the tide against crime. Cooperation of law enforcement officers – SAPS, metro police and traffic officers has been strengthened. Road blocks and random searches will be conducted to ensure that Gauteng residents see law enforcement officers everywhere and feel safe.

Honourable Speaker, we have taken steps to ensure that more than 141 000 children are enrolled in publicly funded Grade R. We are also supporting more than 88 000 children through our Early Childhood Development programme. We are pleased to announce that we have begun expanding our ECD programme. Our goal is to reach universal access to ECD in the next 15 years.

In the current financial year, we have expanded the Welfare to Work Programme from 4 444 young women to 6 975 beneficiaries who are now permanently employed so that they are able to support their children instead of depending on a government grant. This flagship programme will be up-scaled so that we move more young mothers from welfare into productive and sustainable economic activities.

This year, we unveiled the Women's Living Heritage Monument in Tshwane as part of commemorating the 60<sup>th</sup> Anniversary of the 1956 Women's March to the Union Buildings.

This is part of the heritage programme that is changing the heritage landscape of our province. In order to allow communities to honour and celebrate their own local heroes and heroines as well as to preserve our liberation heritage, we will be launching a GCR wide

programme to commemorate liberation struggle heroes and heroines. This is key for nation-building and social cohesion.

We also appointed a group of eminent persons who serve as our Social Cohesion Champions in line with the commitments we made in SOPA. We are also working with civil society organisations to fight racism, xenophobia and related intolerances.

We are pleased that our Social Cohesion Advocates have been able to intervene in an effort to normalize race relations at the Pretoria Girls High School, after alleged incidences of racism were reported and the school.

We also applaud the MEC for Education, MEC Panyaza Lesufi, for taking decisive steps to prevent any form of racism at that or any other school in our province. We trust that firm and decisive action will be taken to prevent the repeat of such incidences. Racism and racist behavior has no room in Gauteng.

Madame Speaker, I would to take this opportunity to report this House on the interventions we have made in the Department of Sports, Arts, Culture and Recreation in line with a commitment I made in the 2015 Political Report.

In December 2014, several allegations of impropriety and maladministration in the Gauteng Department of Sports, Arts, Culture and Recreation (SACR) began to emerge through anonymous letters written to the Premier. The initial allegations related to non-compliance with Supply Chain Management and Human Resources policies and procedures. Further allegations were made regarding financial irregularities, irregular appointments of staff, interference in supply chain management, blurring of the lines between the role of the MEC versus that of the HOD. The situation was compounded by the negative audit outcomes reported in the 2014/15 Auditor's General's Report.

In light of the seriousness and potential impact on the functionality of the Department, I appointed a Provincial Intervention Task Team (PITT) in May 2015, led by the Director General, Ms Phindile Baleni. \

The PITT was established to strengthen good governance, enhance performance and integrity across the system of government in Gauteng. It is important to indicate that the PITT is deployed whenever any of our provincial departments show weaknesses of poor performance or a collapse of good governance.

In this regard, the PITT's first assignment was to look into the allegations of maladministration, breach of policies and regulations in supply chain staff appointment, factionalism among senior managers and the consequent underperformance in the Department of SACR.

The team assessed all relevant information including submissions memoranda and information gathered through interviews. The PITT concluded its report on 30 September 2015.

The Task Team made the following findings:

- The department had a leadership vacuum and no direction was given to institutionalise implementation of the Government Programme of Action.
- The MEC interfered in supply chain management processes and often questioned decisions of the Departmental Acquisitions Council (DAC).
- The working relationship between the MEC and the HOD had irretrievably broken down and the senior management team was divided into the group that supports the MEC and the one that supports the HOD.

Based on these findings and the task team recommended a full scale independent investigation. As I was dealing the Report of the PITT, a new set of allegations were made in a dossier submitted by NEHAWU to the Resident Public Service Commissioner. Once Mr Mike Seloane, the Resident Commissioner, brought the allegations to the Premier to investigate, the Premier instructed the MEC for Finance to institute a forensic investigation.

The forensic investigators found that there were breaches of regulations in respect of procurement processes, public financial management and human resources processes within the department.

Breach of supply chain processes occurred on at least three occasions including irregularly awarding a tender for protection and security services and incurring fruitless and wasteful expenditure by appointing a company to perform a function that was not in the department's plans, shifting of funds to certain function without seeking the permission of the Treasury department. Human resources procedures were also flouted in the appointment of several staff members, including senior management positions. It was also found that the MEC unlawfully interfered in the supply chain processes leading to an irregular appointment of a security company whose contract is now being terminated. However, government has already suffered losses.

By interfering in the Supply Chain Management processes, irregular appointments of service providers and officials, as well as the consequent factionalisation of the Senior Management team, the former MEC and HOD created considerable paralysis and dysfunctionality in the Department.

I would like to commend MEC Mazibuko and HOD Ngobeni for their sterling work over the past 12 months, in getting the Department back on its feet. The Department is now focusing on serving the people of Gauteng with regard to sports, arts, culture, heritage and recreation. This Department was on a downward spiral and it is now beginning to attend to its core business of keeping our youth and communities engaged in sports, arts, culture and recreation as part of nation-building.

We have instituted legal proceedings to recover monies from the former MEC and officials in the Department. Further, we have referred the matter of the MEC's interference with supply chain processes to the Integrity Commissioner. We have also opened a criminal case against the former HOD after her dismissal. All other officials are facing similar actions where applicable.

Honourable Members, this is an overview of what we have done since the 2016 SOPA and the trajectory of the Transformation, Modernisation and Re-industrialisation programme over the past two-and-half years.

I hereby conclude this Political report by acknowledging the hard work of members of the Executive Council, Special Advisors, the Director General, HODs and other senior officials in our government.

I also convey my gratitude to Members of the Provincial Legislature for holding us accountable and keeping us on our toes for no reason other than to keep us on the path that ensures we remain loyal servants of the people of Gauteng, free from corporate or state capture.

Thank you.