



Joint Sitting: Debate on the State of the Nation Address (SONA) delivered by His Excellency, President J.G. Zuma

17 February 2016

His Excellency, Hon. President JG. Zuma

Deputy President, Hon. C. Ramaphosa

Honourable Speaker and Deputy Speaker of the House

Honourable Chairperson and Deputy Chairperson of the NCOP

Honourable MPs & MPLs

Honourable Ministers and Deputy Ministers

Distinguished guests

Ladies and gentlemen

Madam Speaker and Madam Chair, allow me on behalf of organised local government (SALGA) to use this opportunity to share what we are doing at local government level and what we can do to “turn the situation around” and tackle the local economic constraints, as the President urged in his speech.

Having just passed the 15 year milestone of democratic and developmental local government in December 2015, this year concludes our 3rd democratic term. Significant progress and milestones have been achieved during this term and even more recently, which lays a firm foundation to build on as we transition into the electoral period and next term.

While there is a popularly negative sentiment against local government, it is worth noting that municipalities have had the most profound impact on the lives of ordinary South Africans.

By 2013 we had significantly improved access to basic services to the extent that, of the total of 15.2m households at the time:

- 11.7million households received basic water services;
- Just under 10million households received electricity, sewerage and sanitation services; and
- Just over 8,4m households received solid waste management services from municipalities.

The official and disaggregated statistics further demonstrate the tremendous progress that has been registered, particularly in historically neglected areas like former homelands (Eastern Cape, Limpopo, KZN, Free State and Mpumalanga)... this despite the reality that we are continually chasing a moving target due to our rapid population growth and in-migration.

We have deepened democracy and the accountability of our democratic local government institutions – financial reports and trends over the last 10 years demonstrate the growing capacity and capability of municipalities to spend their capital and operational budgets in an impressive manner.

Similarly, the ability to consistently and accurately report on budgets and financial statements, and the audit outcomes themselves, compared to five years ago, shows a maturing sector rapidly developing the capability to take on more responsibility in accelerating social transformation interventions in the provision of basic services and the integration of human settlements.

While it is true that a number of serious and complex challenges persist in some municipalities, by and large local government has delivered quality services and a better life for the majority of our people over the last 15 years.

On Economic Growth and the Local Context

We note with concern the bleak economic outlook and that our ambition of achieving 5 per cent growth over the medium term is unlikely. Of course, underpinning the domestic constraints to more inclusive economic growth remains our most complex challenges of spatial transformation and social integration.

On this front there are many ground breaking initiatives that have had a major transformative impact which we have pioneered and implemented over the last few years.

The **City of Johannesburg** continues to invest in broadband capacity as the back-bone of their smart city initiatives, technologies and promotion of ICT literacy – having been rated as the best investment attraction and economic growth destination, by the PWC report entitled “Into Africa: The Continent’s Cities of Opportunity”.

The **City of Tshwane**, through Project Isizwe has rolled out massive Wi-Fi access on an unprecedented scale, offering coverage and opportunity to over 3 million people.

eThekwini is the first public-sector entity to run a smart city mobile application, which integrates a number of services offered on smart phones and tablet devices, allowing the municipality to interact with its customers in real time.

The City of Cape Town continues to invest in becoming a smarter, more liveable city, realising that public-private partnerships are essential to achieving those aims.

Many of our smaller municipalities are shining lights of excellence and innovation. Load limiting technology has long been applied in **Newcastle Municipality**, which has not experienced load shedding at all due to that municipality’s leadership and innovation.

Ballito in Kwadukuza used to be a small holiday town, but today is an anchor economy to its rural hinterlands with a large commercial centre and full service industry.

If carefully and strategically approached, we have learnt that even simple activities such as street lighting can be catalytic to business expansion and retention, as demonstrated in our #small-towns-must-rise campaign. We therefore cannot over-emphasise the importance of the **Back to Basics** approach and implementing the 10 priorities with our Minister.

However, while not underplaying the many success stories and pockets of excellence to build upon, it is fair to say that we have not made the progress we had hoped on spatial transformation and that our economic reality is still characterised by pervasive inequality, which in turn divides rather than unites us.

This is reflected in the growing frustration of the working class and poor due to the ever increasing gap between 'us' and 'them', the disgruntled youth who feel disillusioned about their future and continued racial rhetoric along class lines, which belies the true non-racial character of ordinary South Africans. A number of other manifestations of growing inequality are present.

Too many South Africans still live on the periphery of our main centres of opportunity, spend the majority of their salaries on transport to access decent work, and are generally marginalised in the mainstream economy. Integration is therefore not substantively physical but is about providing all essential services to the areas where our people live so that relatively similar living conditions prevail, whether you are in Sandton or Gugulethu.

There can thus be no denying that frustration with the continuing lack of fundamental economic transformation and inequality are real. Therefore, we need to build on the foundations laid and take the opportunity at the grassroots level to:

- Transform our spaces through building inclusive and sustainable local economies based on local solutions, particularly through ensuring that our economic development strategies are focused on promoting our entrepreneurial talent and supporting small and micro enterprises;
- Expand our infrastructure network and services to support our short, medium and long term housing, energy, water, sanitation, roads and transport needs; and
- Grow our pockets of excellence and harness more innovation and out-of-the-box solutions in building inclusive economies at local level.

Our point, Mr President, is that if we are to re-ignite our growth aspirations, then we must see our local economies as the starting point for leveraging productivity, innovation and job creation. We therefore call on government to support and empower municipalities, as the sphere closest to our people, to make a real impact on the spatial reality and integrate the development experience in our daily lives.

In Conclusion

As we approach the 2016 local government elections, we should not forget that for each of us, our daily lives play out in municipal spaces.

We must therefore rally behind municipalities as the key shapers and implementers of government's programme of action... and realise that if we build sustainable local economies, as one government, then surely our growth trajectory can indeed be turned around.

Madam Speaker and Madam Chair, we are committed to working with you, our partners in government and the private sector to ensure that our collective vision of sustainable, integrated and inclusive economic growth is realised.

I thank you.

Hon Mpho Nawa
National Deputy Chairperson
SALGA