



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## **MEDIA STATEMENT**

### **Economic Cluster reports on progress in implementing the TMR**

**27 May 2016**

We invite you to join us in taking a walk down memory lane as we assess progress we have made in delivering on the commitments we made when we came into office two years ago.

As the biggest contributor to the country's economy, it is important for the Gauteng province to transform its economy in order to unlock the potential of different sectors to create decent job opportunities especially for youth, women and people with disabilities while building an inclusive economy.

We have embarked on spatial reconfiguration, township economy revitalisation, massive infrastructure investment, the promotion of the green economy and innovation.

We have made significant progress in this regard and we are well on way to delivering on the Gauteng City Region's (GCR) commitment of creating a sustainable and inclusive economy.

As alluded to by Premier David Makhura in his inaugural State of the Province Address two years ago, "the significant participation and meaningful inclusion of the people of the township into mainstream economy of Gauteng through their own township enterprises that are supported by the government and big business will be one of the key game changers".

It was against this backdrop that the Gauteng Provincial Government developed a Township Economy Revitalisation Strategy, which is designed to create an enabling, supportive environment and robust technical assistance and business development support for township enterprises.

Since the inception of the Township Economy Revitalisation Strategy two years ago, we have made significant progress in empowering township-based enterprises, cooperatives and SMMEs.

In the past financial year the provincial government spent R2.5 billion procuring goods and services from township enterprises. Our municipalities combined have spent R4.2 billion of their procurement budgets on township enterprises. This brings the total government

spent on procuring goods and services from township enterprises to R6.7 billion.

Before the adoption of the Township Economy Revitalisation Strategy, only 400 township enterprises were benefiting from our procurement spend.

As of January this year, 1 805 township enterprises are now benefitting from our procurement spend. This is more than four times the amount in the previous years. We have registered 5 321 SMMEs on our procurement database. We want these enterprises to be sustainable, grow employment, and be involved in manufacturing and export.

We have also established the Qondis' Ishishini Lakho campaign, which is one of the Gauteng Provincial Government's programmes aimed at fast tracking the revitalisation of township economies. This campaign continues to transform the township economy landscape by formalising township businesses, through compliance, thus township enterprises increase their chances of exploiting both public and private sector business opportunities.

Registered businesses are monitored and supported through various programmes to ensure they are sustainable and benefit communities in which they operate.

As mentioned by Premier David Makhura in the State of the Province Address earlier this year, "Gauteng is a construction site and cranes are going up".

A total of R810 million has been allocated to renovate, rehabilitate and maintain GCR precinct projects.

One such project is the Thelle Mogoerane (formerly Natalspruit) Hospital, where new doctors and nurses' accommodation, training centre and crèche are under construction. This project is in line with the Health Infrastructure Revitalisation programme, which seeks to align the capacity and location of hospitals, clinics and community health centres to the needs of communities in Gauteng.

The programme entails the assessment, refurbishment, upgrading, demolition and rebuilding of existing facilities as well as the construction of new ones.

In the 2016/2017 financial year, we will complete the design of 27 health infrastructure capital expenditure projects, undertake the implementation of 82 construction projects and complete the implementation of 11 infrastructure projects.

We have changed the power source for the boilers in 8 hospitals from coal to gas, and the boilers in all the hospital boilers are now operating on gas.

Following the approval from the National Treasury for the implementation tri-generation plants, we have now issued requests for proposals, which means we are now in the Public Private Partnership procurement phase as promised in the State of the Province Address.

We are also implementing the renewal energy project of installing solar panels on the rooftops of all government buildings. We have now issued a request for qualification and we hope to proceed to the procurement stage by December this year.

On completion, the rooftop solar panel will generate 350kW of electricity.

Government is acutely aware that agro-processing is a key area of future economic growth, especially with regards to promotion of sustainable livelihoods and communities.

It is for this reason that a number of agro-processing infrastructure projects have been initiated to support small, medium and micro enterprises (SMMEs). These include the milling plant in Randfontein and the sunflower crushing plant in Cullinan.

The first phase of the renovation of the Vereeniging Fresh Produce Market has also been completed. More than 75 jobs were created during the renovation of the facility.

We have also entered into a partnership with global beer maker Heineken to support farmers with inputs and irrigation for barley production. The barley will form part of the production of malt, which is used to brew beer. Government has already supported 12 of these farmers with production inputs in the 2015/16 production season.

Accordingly, in this financial year, agri-parks and agro-processing will be key interventions in enabling and supporting transformation of the agricultural sector in the city region.

An agri-park will be built in the 2016/17 financial year. Vegetable and fruit-processing facilities will also be supported to make sure that there is enough produce to support existing facilities.

Urban food security is also an important priority in our province, particularly among poorer communities whose living conditions can be greatly improved through urban agriculture.

A sum of R30 million has been set aside for the implementation of veterinary community services and primary animal health care and R84 million to implement various projects that boost food security in the province.

As we are all aware, 2015 was a challenging year for our farmers. The drought ravaged farms, livestock and livelihoods. We have since put in place a drought-mitigating plan totalling R33 million. The drought-relief programme has benefited 920 smallholder farmers in the province.

The Gauteng Nguni Cattle project was launched in May 2015. The three farmers in the initial phase of the project have each received 30 pregnant heifers and a bull. This project will continue this financial year.

To date, we have supported 75 smallholder farmers with infrastructure, mainly with the primary focus of enhancing production of various agricultural commodities. A further 159 smallholder farmers were assisted with production inputs.

We will continue intensifying the Bontle ke Botho campaign by exploring the waste economy as an avenue for creating employment and generating entrepreneurial opportunities for thousands of the unemployed in our communities.

One of the challenges identified by prospective investors with regards to doing business in the Gauteng City Region are the delays in getting environmental impact assessments (EIA) for developments.

Government has started addressing this by modernising the EIA system, which now allows prospective investors to submit their applications online. This system has drastically reduced the turnaround time from an average of 18 months to 90 days whilst saving investors thousands of rands.

Of the 442 development EIA applications received, 98.2% were finalised within regulatory timeframes. A total of 96% EIA applications were finalised within 90 days. We are working towards finalising EIA applications within 30 days.

Road infrastructure investment remains a priority for government; several roads have been upgraded to promote safer mobility including the R82 Road (Old Vereeniging Road - Phase 1B) which was officially opened on Wednesday.

The R259 million construction of dual carriageway is part of government's commitment to improving road infrastructure which will benefit Gauteng residents through improved accessibility between Vereeniging and Johannesburg. The upgraded road is also envisioned to reduce travel costs by decreasing traveling times

One of the key issues we set out to address when we came into office two years ago was the issue of transforming spatial and human settlement patterns to integrate economic opportunities and transport corridors.

To this end, our government is delivering housing opportunities through high-density human settlements that are integrated into economic nodes. The first fully fledged post-apartheid city, Vaal River City, is being built in Sedibeng. Construction is also underway at Savannah City, Sandton City, Steyn City, Waterfall City, Tshwane West Capital, and Africa Gateway in Centurion.

In the current financial year, we have set aside about R100 million for the Syferfontein planning phase 2 and another R100 million for bulk infrastructure provision in Savannah City.

In the past two decades, Gauteng has provided close to one million housing opportunities. We are significantly increasing the number of houses delivered on an annual basis to make a dent on the housing backlog. During the current financial year, 50 000 houses will be built as part of our efforts to eradicate the housing backlog in our province.

We are also speeding up the handing over of completed houses and renovated hostels.

We are in the final stages of procuring a beneficiary management system, which will be piloted and rolled out this year.

The system's security functions comprise biometric recognition that include matching housing inventory to prioritised and qualified applicants; ensuring transparency throughout the process linked to the housing value chain; consistent communication to beneficiaries to give updates of their application status, allocation and final security of tenure through title deeds matched to the initial applicant.

Next month we will hold the Gauteng Economic Indaba, where government and other stakeholders will share ideas on how to grow a sustainable and inclusive economy for the province.

Gauteng needs to take full advantage of key sectors that can grow the economy such as manufacturing, retail, agriculture, hospitality and property development.

**Issued by the Gauteng Provincial Government**

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