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REPUBLIC OF SOUTH AFRICA

MINUTES OF PROCEEDINGS

OF

JOINT SITTING

THURSDAY, 11 FEBRUARY 2021

1. Members of the National Assembly and the National Council of Provinces assembled in the Chamber of the National Assembly at 18:55.
2. The Speaker of the National Assembly took the Chair.
3. The Speaker of the National Assembly requested members to observe a moment of silence for prayer or meditation.
4. The Speaker of the National Assembly announced that the President had called the Joint Sitting of the National Assembly and the National Council of Provinces in terms of section 84(2)(d) of the Constitution of the Republic of South Africa, 1996, read with Joint Rule 7(1)(a), in order to deliver his State-of-the-Nation Address to Parliament.
5. [18:57] The President of the Republic delivered his address as follows:

Speaker of the National Assembly Ms Thandi Modise, Chairperson of the National Council of Provinces Mr Amos Masondo, Deputy President of the Republic David Dabede Mabuza, Former President Thabo Mbeki and Mrs Mbeki, Former Deputy President Phumzile Mlambo-Ngcuka, Former Deputy President Baleka Mbete, Chief Justice Mogoeng Mogoeng, Deputy Chief Justice Zondo and all esteemed members of the judiciary, Ministers and Deputy Ministers, premiers of our provinces, members of the National Assembly, speakers from the various legislatures, members of the National Council of Provinces, Dean of the European Region representing the diplomatic corps, distinguished guests and members and fellow South Africans, on this day, 31 years ago, President Nelson Mandela walked out of the gates of Victor Verster prison a free person, the living embodiment of the resilience and courage of the people of

South Africa. His release signalled great hope of better things to come. It actually signalled that the freedom of the people of South Africa was nigh.

For nearly 40 million years an extraordinary ecosystem has existed here at the southernmost tip of our continent. The fynbos biome, which stretches across the Cape, has among the most distinctive features of any plants found on earth. It can adapt to dry and hot summers and cold and rainy winters. It is wondrous in its diversity.

Our national flower, the Protea, is a species of fynbos. When I opened the third National Investment Conference last year, I spoke of the Protea's unique properties that in so many ways resemble our national character as South Africans. What is most unique and special about fynbos that we find plentiful here in the Western Cape is that to be sustainable and survive the fynbos needs fire. At least once every 20 years, the fynbos must burn at extremely high temperatures to allow the ecosystem to be rejuvenated and grow afresh.

Throughout the summer, the burned foliage of the fynbos lies desolate. But when the autumn rains return, the seeds explode and germinate, and its life cycle begins all over again. This displays the splendour and the beauty that we often see when we look at the beautiful sights of the Western Cape. The mountains bloom with new life as plants, which once seemed lost and dead, grow back even stronger than before.

We, the people of South Africa, have, over the past year, experienced a terrible tragedy and hardship. Like a wildfire that sweeps across the mountain ranges of our country where the fynbos grows, a deadly pandemic has swept across the world, leaving devastation in its path. And yet, like the hardy fynbos of our native land, we too have proven to be resilient in many, many ways.

For three centuries we were victims, as a people, of oppression, dispossession and injustice. And for three centuries we resisted. The flames of injustice may have scarred us, but they did not consume us or destroy us.

The rains of democracy brought rejuvenation to our country and the birth of a new nation. We have risen time and time again from the depths of darkness to herald a new dawn and a new day. As we look on the grave damage that coronavirus has caused, we know that, like the fynbos, like all those who have walked this land before us, we will rise again.

Nearly a year has passed since South Africa saw its first case of the novel coronavirus, COVID-19. Since then, nearly 1,5 million people in our country are known to have been infected by the virus. More than 45 000 people are known to have died. Beyond these statistics lies a human story of tragedy and pain.

There is no family, no community and no place of work that has not lost someone they knew, worked with and loved. It is also a story of courage

and resilience, the resilience of the hospital worker who – day after day, night after night – goes to work to save lives, knowing that they themselves are at risk of infection.

It is a wonderful account of the courage of the police officer, the soldier, the essential worker, the care-giver and all those on the frontline who have kept our country safe, our people fed and our economy going.

This is a story of solidarity and this is also a story of compassion – of a nation that has stood together to confront COVID-19 in ways not seen since the early days of our democracy. Along the way, as we were struggling with this virus, yes, mistakes were made; yes, there was a lot of criticism and it continues. But the fact of the matter is that we, the people of South Africa, have, in the main, stood together to fight this common enemy.

More than anything else, this crisis has revealed the true character of our remarkable nation. It has revealed a spirit of the people who refused to be defeated by a virus. It is this South African spirit that must drive our resolve to build a new and more equal economy and a better and more just society.

The year ahead must be a time for change, for progress and for rebirth. It must be a year in which we rise as a people and in which we do things that are going to make us rise. This is no ordinary year, and this is no ordinary state of the nation address.

I will therefore focus this evening on the foremost, overriding priorities that we have for 2021. There are not many but they are focused. First, we must defeat the coronavirus pandemic. That is primary in everything that we have to do as a nation.

Second, we must accelerate our economic recovery. Third, we must implement economic reforms to create sustainable jobs and drive inclusive growth. These are the key priorities. And, finally – and not leaving many other things aside – we must fight corruption and strengthen the state that has been weakened.

In the coming weeks, we will address the other important elements of government's programme for the year. Fundamental to our nation's recovery is an unrelenting and comprehensive response to overcoming the virus. South Africa has just emerged from the second wave of infections since COVID-19 arrived on our shores in March last year.

Driven by a new variant of the virus, this second wave was more severe and cost many more lives than the first wave. Nevertheless, the human cost could have been far greater. Had we not moved quickly to restrict movement and activity, had we not prepared our health facilities and had South Africans not observed the basic health protocols, the devastation caused by the virus could have been far, far worse.

This year, we must do everything in our means to contain and overcome this pandemic. This means intensifying our prevention efforts and strengthening our health system. It also means that we must undertake a massive vaccination programme to save lives and dramatically reduce infections across the entire population.

Earlier this week, we were informed that one of the vaccines that we had procured, the AstraZeneca vaccine, offered minimal protection from mild to moderate infection by the new variant known as 501Y.V2. This is according to early findings of a study by our scientists and researchers. We really have outstanding scientists in our country. We applaud these scientists for leading this research and providing new evidence that is vital to guiding our response to this pandemic.

Since this variant is now the dominant variant in our country, these findings have significant implications for the pace, design and sequencing of our vaccine programme. While it should not delay the start of the vaccination programme by much, it will affect the choice of vaccines and the manner of their deployment.

The first phase of our vaccination programme, which is targeted at health and other frontline workers, will now use the Johnson & Johnson vaccine, which has been shown to be effective against the 501Y.V2 variant. We have secured 9 million doses of the Johnson & Johnson vaccine. The first batch, of some 80 000 doses, will arrive in the country next week. Further consignments will arrive over the next four weeks, totalling half a million Johnson & Johnson vaccines. All provinces have already rolled out their plans to enable the first vaccines to be administered. The Deputy President, David Mabuza, is leading an interministerial committee that is overseeing this massive rollout. I wish to thank our provinces for their level of preparedness for this massive undertaking that we are about to embark upon.

In addition, we have secured 12 million vaccine doses from the COVAX facility. This will be complemented by other vaccines that are available to South Africa through the African Union's acquisition task team facility that we set up. Pfizer has committed 20 million vaccine doses, commencing with deliveries at the end of the first quarter.

We are continuing our engagements with all the vaccine manufacturers to ensure that we secure sufficient quantities of vaccines that are suitable for our conditions in terms of the variant that we have here.

The health and safety of our people remains our paramount concern. All medication imported into South Africa is monitored, evaluated, investigated, inspected and registered by the SA African Health Products Regulatory Authority. We will continue to use the science-driven approach that has served us so well since the earliest days of the pandemic.

The success of the vaccination programme will rely on active collaboration between all sectors of society. We are greatly encouraged by

the active involvement of business, labour, the health industry and medical schemes in particular in preparing for this mass vaccination drive.

As we have overcome before, we will overcome this challenge and rise. But it is not just this disease that we must defeat. We must overcome poverty and hunger, joblessness and inequality in our country. We must overcome a legacy of exclusion and dispossession that continues to impoverish our people, and which this pandemic has severely worsened.

When I delivered the state of the nation address in this House last year, none of us could have imagined how – within a matter of weeks – our country and our world would have changed so dramatically.

Our plans had to be adapted in response to a global emergency. The budgets that we had crafted had to be reprioritised and many programmes that we had as government in our various departments – including in our provinces and in our local government structures – had to be deferred. Over the past year, South Africa has experienced a sharp decline in growth and a significant increase in unemployment. Poverty is on the rise. Inequality is deepening.

In the third quarter of 2020, our economy was 6% smaller than it was in the last quarter of 2019. There were 1,7 million fewer people employed in the third quarter of 2020 than there were in the first quarter, before the pandemic struck. Our unemployment rate now stands at a staggering 30,8%. As a result of the relief measures that we implemented and the phased reopening of the economy, we expected to see a strong recovery in employment by the end of 2020.

As we worked to contain the spread of the virus, we also had to take extraordinary measures to support ordinary South Africans, assist businesses in distress and protect people's livelihoods.

The social and economic relief package that we introduced in April last year is, by all accounts, the largest intervention of its kind in our history. It identified measures worth a total of R500 billion – or about 10% of our GDP – to provide cash directly to the poorest households, to provide wage support to workers and to provide various forms of relief to struggling businesses. This had never been done in the history of our country. A total of 18 million people, or close to one third of the population, received additional grant payments through these relief measures.

It is estimated that this grant lifted more than 5 million people above the food poverty line, helping to alleviate hunger in a moment of great distress and crisis. To date, more than R57 billion in wage support has been paid to over 4,5 million workers through the Special UIF Temporary Employee Relief Scheme, TERS. More than R1,3 billion has been provided in support mainly for small- and medium-sized enterprises. In addition, over R70 billion in tax relief was extended to businesses in distress. Around R18 billion in loans have been approved for 13 000 businesses through the loan guarantee scheme that we put together.

Fellow South Africans, it is nearly four months since I stood here before a Joint Sitting of this Parliament to present to the nation the Economic Reconstruction and Recovery Plan. This evening, we stand here not to make promises but to report on progress in the implementation of the recovery plan and the priority actions that we need to take to restore growth and create jobs.

Since the launch of the plan, we have focused on four priority interventions: a massive roll-out of infrastructure throughout the country; a massive increase in local production; an employment stimulus to create jobs and support livelihoods; and the rapid expansion of our energy generation capacity.

We announced that we would be embarking on a massive roll-out of infrastructure throughout the country. We knew that to achieve this objective we would need to steadily rebuild technical skills within government to prepare and manage large infrastructure projects. These were skills that had been lost over time.

We have now developed an infrastructure investment project pipeline worth R340 billion in network industries, such as energy, water, transport and telecommunications. Construction has already started and progress is being made on a number of projects. Since the announcement of the Economic Reconstruction and Recovery Plan, we have launched two major human settlement projects that will provide homes to almost 68 000 households here in Gauteng ... well, not here in Gauteng; in Gauteng in the north. Similar human settlement projects are planned in a number of other provinces all over the country.

Two years ago I spoke about the dream of building new cities that will enable us to make a break – a decisive break – with apartheid’s spatial development. Many people laughed. Many scoffed at the idea. New post-apartheid cities are being conceptualised in a number of places in our country, in a number of provinces.

The Lanseria Smart City, the first new city to be built in a democratic South Africa, is now a reality in the making. The draft masterplan for this smart city – which will become home to between 350 000 to 500 000 people within the next decade – was completed in November 2020 and is now out for public comment. This is a reality; it is happening as we speak. We now have a number of local government structures co-operating to build this city.

Progress is being made in several major water infrastructure projects. These include Phase 2A of the Mokolo and Crocodile River project, and the uMkhomazi Water Project. The Infrastructure Investment Plan identifies roads and projects worth R19 billion, covering the spine of the South African road network. Work is under way to finalise project finance and structuring for these projects.

Resources have been committed from the fiscus to support the construction and rehabilitation of the major N1, N2 and N3 highways. These infrastructure projects will lead to the revival of our construction industry and the creation of much-needed jobs.

The R100 billion Infrastructure Fund is now in full operation. This fund will blend resources from the fiscus with financing from the private sector and development institutions. Its approved project pipeline for 2021 is varied and includes projects such as the Student Housing Infrastructure Programme, which aims to provide 300 000 student beds. Another approved project is SA Connect, a programme to roll out broadband to schools, hospitals, police stations and other government facilities.

The second priority intervention of the recovery plan is to support a massive increase in local production and to make South African exports globally competitive. This will encourage greater investment by the private sector in productive activity. Key to this plan is the renewed commitment from government, business and organised labour to buy locally made products. We have always talked about localisation, and said that we encourage South Africans to buy local in order to ensure that even what you wear – like the suit I am wearing tonight – is locally made by South African workers. This commitment should lead to increased local production, which will lead to the revival of our manufacturing industry and which will lead to the employment of more and more of our people. If many of us men bought the suits that were made locally, more workers would be employed in the factories that make these suits.

All social partners who participated in the development of the Economic Reconstruction and Recovery Plan as part of our social compact have agreed to work together to reduce our reliance on imports by 20% over the next five years. They have identified 42 products – ranging from edible oils to furniture, fruit concentrates, personal protective equipment, steel products and green economy inputs – that can be sourced locally. This is because, if we focused our minds on buying local, entrepreneurs would start making these products and entrepreneurs would start exporting these products and competing with the rest of the world. But this should start here at home with us. If we achieve our target, we will significantly expand our productive economy, potentially returning more than R200 billion to the country's annual output.

Last year, we undertook to create a larger market for small businesses and designated 1 000 locally produced products that must be procured from small, medium and micro enterprises, SMMEs. As the COVID-19 pandemic forced the closure of global value chains, we have been able to speed up this initiative as the local supply chains became more open for locally manufactured products.

To this end, Cabinet approved the small and medium-sized enterprise Focused Localisation Policy Framework which identified 1 000 products. Furthermore, the departments of Small Business Development, and of Trade, Industry and Competition are supporting SMMEs to access larger domestic and international markets. I have been very impressed with the

work that these two departments have been doing. These efforts are supported by robust manufacturing support programmes.

In the state of the nation address last year, I said that our vision for industrialisation was underpinned by sector master plans to rejuvenate and grow key industries.

Four master plans that have been completed and signed to date – which are part of the social compact between labour, business, government and communities – have already had an impact in their respective industries.

Through the implementation of the poultry master plan ... and remember our poultry industry was under a lot of stress. What the poultry industry needed was to have a master plan, which should have been arrived at but it did happen on a compact basis. Now, we are seeing progress in that industry. The industry has now invested R800 million in upgrading production. South Africa now produces an additional one million chickens every week. Now, that is great progress.

The sugar master plan was signed during the lockdown, with a commitment from large users of sugar to procure at least 80% of their sugar needs from local growers. Through the implementation of the plan, last year saw a rise in local production and a decline in imported sugar, creating stability for an industry which employs well over 85 000 workers. Support for black small-scale farmers is being stepped up, with a large beverage producer committing to expanding their procurement sharply and focusing on the SMME producers.

Since the signing of the clothing, textile, footwear and leather master plan in November 2019, the industry has invested more than half a billion rand in expanding local manufacturing facilities, including SMMEs.

We have worked closely with the auto sector to help it weather the pandemic. By the end of the year, the sector had recovered around 70% of its normal annual production, in difficult circumstances.

Last week, the Ford Motor Company announced a R16 billion investment to expand their manufacturing facility in Tshwane for the next-generation Ford Ranger bakkie, which they will export around the world to well over 150 countries. This investment will support the growth of around 12 small and medium enterprises in automotive component manufacturing. This is an area in which many black-owned small businesses have never really entered. Now, through this initiative and this investment, we are going to see a number of small and medium enterprises – largely in the Pretoria area, Mamelodi, Eersterust and places like that – coming to the fore and becoming active and being productive.

Nearly half of the procurement spend on construction of the bulk earthworks and top structure of the Tshwane Special Economic Zone during this phase is expected to be allocated to SMMEs. I was told that this would be some 200 SMMEs. The value could well be something like R1,7 billion in procurement opportunities.

Toyota has invested in their KwaZulu-Natal facility to start production of the first-generation hybrid electric vehicles to come off a South African assembly line. This follows investment announcements by Nissan, Mercedes-Benz and Isuzu in expanded production facilities, all of which cement South Africa's position as a global player in auto manufacturing – and the biggest on the African continent.

This year, our focus will be on getting the industry back to full production, implementing the Black Industrialist Fund and working on a new platform for expanded auto trade with the rest of the continent. Now, a number of countries on our continent are already setting up their own auto manufacturing plants, but they are going to be relying on South Africa to supply them with various components and with a whole lot of other products that go into building cars. This will be part of our concerted effort to boost our manufacturing sector, which has been going down.

This year, we will begin to harness the opportunities presented by the African Continental Free Trade Area, the AfCFTA, which came into operation on 1 January following the adoption of the Johannesburg Declaration by the African Union. The AfCFTA provides a platform for South African businesses to expand into markets across the continent and for South Africa to position herself as a gateway to the continent.

To address the deep inequalities in our society, we must accelerate the implementation of broad-based black economic empowerment policies on ownership, control and management of our economy. That is a policy that must be implemented and there is no reversal on that policy whatsoever.

Last year, government agreed to landmark deals with companies that will advance black economic empowerment by transferring ownership to their workers.

In November last year, we held our third South Africa Investment Conference to review the implementation of previous commitments and to generate new investment into our economy. Even under difficult economic circumstances, the Investment Conference managed to raise some R108 billion in additional investment commitments from a number of investors.

Together with investment commitments confirmed from the two previous investment conferences, we have now received R773 billion in investment commitments towards our five-year target of R1,2 trillion. This is phenomenally successful. Firms have reported that some R183 billion of these investments has already flowed into projects that benefit the South African economy.

This shows that our country is still an attractive investment destination for both local and offshore companies. We have worked to facilitate investment by increasing the ease of doing business, including by making it easier to start a business. This is one area that had slipped backwards.

We have been doing quite a lot of work to ensure that the ease of doing business is boosted so that investors – the businesspeople – can easily come to our country and set up companies and start businesses.

In the past year, more than 125 000 new companies have been registered through the BizPortal platform, completing their registration in just a matter of hours from the comfort of their homes or offices. And now it has happened just like that, in a flash. We are making it easier for business to do business.

Our third priority intervention is an employment stimulus to create jobs and support livelihoods. The largest numbers of jobs, obviously, will be created by the private sector in a number of industries as the economy recovers. So, the private sector remains the primary and the biggest creator of jobs. It is for this reason that we have embarked on massive reforms so that the private sector can continue investing in our country.

We continue to work in a social compact with the private sector to create a more conducive environment for them to be able to create jobs. Our compact with the private sector is underpinned by a clear commitment to growing our economy and creating jobs.

However, the public sector has a responsibility to stimulate job-creation both through its policies and through direct job-creation opportunities. The Presidential Employment Stimulus is one of the most significant expansions of public and social employment in South Africa's history.

By the end of January 2021, over 430 000 opportunities had already been supported through the stimulus. A further 180 000 opportunities are currently in the recruitment process. These opportunities are in areas like education, arts and culture, film, global business services, early childhood development, ECD, and in small-scale and subsistence farming. They also involve environmental programmes such as the clearing of alien trees, wetland rehabilitation, fire protection and prevention, as well as cleaning and greening across our municipalities.

These programmes are about real lives and real livelihoods. Nearly half a million people are now receiving an income, developing new skills and contributing to their communities and to the country's economy. This is no small feat. It means something is being done.

We will continue to support employment for as long as it is necessary while the labour market recovers, even as we work to promote stronger and more resilient growth in the private sector. So, we see a symbiotic relationship between the public sector and the private sector. The private sector will create the greatest bulk of the jobs. But, at the same time, at a public-sector level, it is essential that, yes, we also focus on what happens in our schools, on what happens in the socioeconomic side; and all these matters are being attended to.

In the state of the nation address last year, in response to the huge challenge our country faces of youth unemployment, I announced that the

National Youth Development Agency, NYDA, and the Department of Small Business Development would provide grant funding and business support to 1 000 young entrepreneurs within 100 days.

While the programme had to be put on hold due to the coronavirus restrictions, it nevertheless managed to reach its target of 1 000 youth businesses by International Youth Day on 12 August 2020. We applaud the young people of our country who are running this programme. This provides a firm foundation for our efforts to support 15 000 start-ups by 2024.

Last year, we said we would establish a national Pathway Management Network to provide support and opportunities to young people across the country. I want to encourage every young South African to join the more than 1,2 million people who are already in the network, and take their next steps to a better future.

Of the many hardships our people had to experience last year, schooling disruption placed a huge burden on learners, teachers and families. Despite this they persevered. It is our priority for this year to regain lost time and improve educational outcomes, from the early years through to high school and post-school education and training.

The fourth priority intervention of the recovery plan that I would like to talk about is to rapidly expand energy generation capacity in our country. Restoring Eskom to operational and financial health and accelerating its restructuring process are central to the work that we have to do. Eskom has been restructured into three separate entities for generation, transmission and distribution. This will lay the foundations for an efficient, modern and competitive energy system in South Africa. Eskom is making substantial progress with its intensive maintenance and operational excellence programmes to improve the reliability of its coal fleet.

We are working closely with Eskom on proposals to improve its financial position, manage its debt and reduce its dependence on the fiscus. This requires a review of the tariff path to ensure that it reflects all reasonable costs and measures to resolve the problem of municipal debt.

In December 2020, government and its social partners signed the historic Eskom Social Compact, which outlines the necessary actions we must take, collectively and as individual constituencies, to meet the country's energy needs now and into the future.

Over the last year, we have taken action to urgently and substantially increase generation capacity in addition to what Eskom generates. In this regard, the Department of Mineral Resources and Energy will soon be announcing the successful bids for 2 000 megawatts of emergency power that our country needs. In addition, the necessary regulations have been amended and the requirements clarified for municipalities to buy power from independent power producers. Systems are being put in place to support qualifying municipalities. Government will also soon be initiating

the procurement of an additional 11 800 megawatts of power from renewable energy, natural gas, battery storage and coal in line with the Integrated Resource Plan of 2019.

Despite this work, Eskom estimates that, without additional capacity, there will be an electricity supply shortfall of between 4 000 and 6 000 megawatts over the next five years, as our old coal-fired power stations reach their end of life.

As part of the measures to address this shortfall, we will in the coming weeks issue a request for proposals for 2 600 megawatts from wind and solar energy as part of Bid Window 5. This will be followed by another bid window in August 2021.

Recent analysis suggests that easing the licensing requirements for new embedded generation projects could unlock up to 5 000 megawatts of additional capacity and help to ease the impact of load shedding. We will therefore amend Schedule 2 of the Electricity Regulation Act within the next three months to increase the licensing threshold for embedded generation.

This will include consultation amongst key role-players on the level at which the new threshold should be set and the finalisation of the necessary enabling frameworks. Eskom has already started work to expedite its commercial and technical processes to allow this additional capacity onto the grid without undue delay. There have been complaints that the time that they take to process these has been far too long. It has now been agreed that they are going to do this much faster.

As we mobilise all of the resources at our disposal to support economic recovery, we cannot lose sight of the threat that climate change poses to our environmental health, socioeconomic development and economic growth.

We are therefore working to fulfil our commitments under the UN Framework Convention on Climate Change and the Paris Agreement which include the reduction of greenhouse gas emissions.

Eskom, our largest greenhouse gas emitter, has committed in principle to net zero emissions by 2050 and to increase its renewable capacity. Eskom will be looking to partner with investors to repurpose and repower part of its coal fleet. This will be done in a way that will stimulate investment and that will also stimulate local economic activity and local manufacturing – as part of a just transition that will need to take care of the people who work in those power stations and the people who work in the towns where power stations reside.

Our work on climate change will be guided by the Presidential Co-ordinating Commission on Climate Change, which is meeting for the first time this month. The commission will work on a plan for a just transition to a low-carbon economy and climate-resilient society.

We will not achieve higher rates of growth and employment if we do not implement structural economic reforms. These reforms are necessary to reduce costs and barriers to entry into our economy; they are necessary also to increase competition, to stimulate new investment and to create space for new entrants into the market. This work is being driven through Operation Vulindlela, which involves a team in National Treasury and the President's Office. Operation Vulindlela is focusing on reforms in the electricity, water, telecommunications and transport sectors, as well as reforms to our visa and immigration regime.

The completion of digital migration is vital to our ability to effectively harness the enormous opportunities presented by technological change that is going around the world. After many delays, we will begin the phased switch-off of our analogue TV transmitters from next month. It is anticipated that this process, which will be done province by province, will be completed by the end of March 2022. The process for the licensing of high-speed spectrum is at an advanced stage. We hope that the ongoing litigation amongst interested parties on the licensing matter will provide certainty and will not unduly delay the spectrum auction process that we have decided on.

In the water sector, we are working through Operation Vulindlela to ensure that water licences are finalised within the revised timeframe of 90 days; and to revive the Green Drop and Blue Drop programmes to strengthen water-quality monitoring in our country.

We will finalise and implement the revised raw water pricing strategy, and accelerate the establishment of a national Water Resources Infrastructure Agency. I firmly believe that if we really do want to resolve our water challenges, we need an agency that will be focused just on ensuring that water is treated with the importance and the sensitivity that it requires. Many of our people are struggling: they cry out for water on an ongoing basis. Now, establishing a water agency will be one of the better ways to resolve these challenges, so that the agency can have a global look at the water needs of the country and address those challenges.

Our ability to compete in global markets depends on the efficiency of our ports and rail network. We are repositioning Durban as the hub port for the Southern Hemisphere and developing Ngqura as the container terminal of choice. The rail corridor from Gauteng is being extended to enable the export of vehicles through Port Elizabeth. These are crucial steps to move freight from road to rail and increase the competitiveness of the rail system in our country.

Work is under way with the relevant departments to reform our visa and immigration regime to attract skills and grow the tourism sector. As international travel starts to recover in the wake of COVID-19, we will undertake a full roll-out of eVisas to visitors from China, India, Nigeria, Kenya and 10 other countries in the world.

The revised list of critical skills will be published for public comment by the Department of Home Affairs within one week to ensure that the final version reflects the skills needed by the economy. This, too, has taken far too long to be done, but it is now going to be done.

The momentum that Operation Vulindlela has already built and the support that it has received across government show that we are serious about reform. We will continue to work relentlessly and without pause to create a more modern, efficient and competitive economy that is more open to all South Africans.

To support our reform process, the Presidential State-Owned Enterprises Council has outlined a clear set of reforms that will enable these vital public companies to fulfil their mandate for growth and development. Overarching legislation for state-owned companies will be tabled in Cabinet this financial year and Parliament in the next financial year.

A centralised SOE model is being implemented this financial year, which will ensure a standardised governance, financial management and operational performance framework for all SOEs. The mandates of all SOEs are being re-evaluated to ensure that they are responsive to the country's needs and the implementation of the National Development Plan.

In the midst of the economic damage caused by COVID-19, South Africa's agricultural sector has performed remarkably well. In 2020, we became the world's second largest exporter of citrus, with strong export growth in wine, maize, nuts, deciduous fruit and sugar cane.

The favourable weather conditions in 2020 and the beginning of 2021 mean that agriculture is likely to grow in the near term. This provides an opportunity for further public-private partnerships in the agricultural sector to promote transformation and ensure sustainable growth. It is an opportunity to accelerate land redistribution through a variety of instruments, such as land restitution and the expropriation of land in order to boost agricultural output.

To date, government has redistributed over 5 million hectares of land, totalling around 5 500 farms, to more than 300 000 beneficiaries. This is in addition to the land restitution process, which has benefited over 2 million land claimants and resulted in the transfer of 2,7 million hectares of land.

We are also pursuing programmes to assist smallholder and emerging farmers with market access to develop skills across the entire agricultural value chain and to increase the number of commercial black farmers as well. During the course of the next financial year, we will establish a Land and Agrarian Reform Agency to fast-track land reform.

The public service is at the coalface of government, and lack of professionalism doesn't just impact service delivery; it also dents public

confidence. Advancing honesty, ethics and integrity in the public service is critical if we are to build a capable state.

Through the National School of Government, we continue to roll out courses and training programmes for government officials from entry level to senior management and to the executive.

In October last year, I signed off on Ministerial Performance Agreements with all Ministers, which have now been published online. This will enhance accountability and focused performance by members of the executive.

We remain on course to build a capable and professional civil service that delivers on its mandate and is accountable to the South African people.

We are proceeding with our efforts to strengthen local government infrastructure and accelerate service delivery through the District Development Model. The model brings all three spheres of government together in order to focus on key priorities and implement critical high-impact projects.

Working with both public and private-sector partners, government is implementing a range of measures to support municipalities to address inadequate and inconsistent service delivery in areas such water provision, infrastructure build and maintenance. We are also focusing on the appointment of properly qualified officials at a local level to ensure effective management and provision of services. In some municipalities we have often found that less than well qualified people have been appointed, and all they ever do is mess up. Now, we are saying that the days of messing up are over. We want professional people to run our local government.

As we prepare for local government elections, which are due take place this year, we will need to adjust to the conditions forced upon us by COVID-19 so that we can ensure that the people of this country can determine who represents them at this crucial level of government.

Fellow South Africans, corruption is one of the greatest impediments to the country's growth and development. The revelations from the Zondo Commission of Inquiry lay bare the extent of state capture and related corruption. Testimony at the commission has shown how the criminal justice system was compromised and weakened. It is therefore vital that we sustain the momentum of the rebuilding effort that we began three years ago.

There has been great progress in turning around law enforcement bodies. Critical leadership positions have been filled with capable, experienced and trustworthy professionals.

There is improved co-operation and sharing of resources between the respective law enforcement agencies, enabling a more integrated approach to investigations and prosecutions. We have started implementation of the

National Anti-Corruption Strategy, which lays the basis for a comprehensive and integrated society-wide response to corruption.

We will be appointing shortly the members of the National Anti-Corruption Advisory Council, which is a multisectoral body that will oversee the initial implementation of the strategy and the establishment of an independent statutory anticorruption body that will report to this Parliament ... to this Parliament, not to the executive but to this Parliament - to all of you sitting here it will report.

When reports started to surface last year about possible fraud and corruption in the procurement of COVID-19-related goods and services, we acted with speed and decisively to put a stop to these practices, to investigate all allegations and to act against those responsible.

We established a fusion centre, which brings together key law enforcement agencies to share information and resources. The Fusion Centre has brought many cases to trial and preserved or recovered millions of rand in public funds.

The Special Investigating Unit, SIU, was authorised to investigate allegations of unlawful conduct with respect to COVID-19 procurement by all state bodies during the National State of Disaster. As it reported last week, the SIU has finalised investigations into 164 contracts with a total value of R3,5 billion.

In a significant advance for transparency and accountability, the Political Party Funding Act will come into operation on 1 April this year ... yes? Well, you don't seem to be very excited about this. It is now going to happen. This will regulate public and private funding of political parties. Among other things, it requires the disclosure of donations to parties and establishes two funds that will enable represented political parties to undertake their programmes.

Crime and violence continues to undermine people's sense of safety and security. Tackling crime is central to the success of our recovery. Crimes like cable theft, railway infrastructure vandalism, land invasions, construction site disruptions and attacks on truck drivers hamper economic activity and discourage investment.

We have taken steps and will continue to take steps to stop these crimes and deal with those responsible in terms of the law. Task teams have been set up in a number of provinces to deal with extortion and violence at sites of economic activity.

We are also fast-tracking the implementation and capacitation of the Border Management Agency to curb illegal immigration and cross-border crime. That is now going to happen.

Ending gender-based violence is imperative if we lay claim to being a society rooted in equality and nonsexism. When I launched the National Strategic Plan on Gender-Based Violence and Femicide in April last year,

I made a promise to the women and children of our country that we were going to strengthen the criminal justice system to prevent them being traumatised again and to ensure that perpetrators face justice.

To give effect to this, three key pieces of legislation were introduced in Parliament last year to make the criminal justice system much more effective in combatting gender-based violence. To ensure that perpetrators are brought to book, we are making progress in reducing the backlog in gender-based violence cases. We continue to provide care and support to survivors of gender-based violence.

In the state of the nation address last year, I said that we would prioritise the economic empowerment of women. Last year, Cabinet approved a policy that 40% of public procurement should go to women-owned businesses and entities. Several departments in government have started implementing this policy and are making a great deal of progress.

Last week we also launched a groundbreaking private-sector-led GBVF Response Fund. Several South African companies and global philanthropies made pledges to the value of R128 million to assist in the fight against gender-based violence. Now, that is unprecedented. Over the next three years, government will allocate approximately R12 billion to implement the various components of the National Strategic Plan. Gender-based violence will only end when everyone takes responsibility for doing so in their homes, in their communities, in their workplaces, in their places of worship and in our centres of learning: schools, universities and colleges.

Equally, we need to give attention to issues affecting children including improving school-readiness, early childhood development planning and funding, protection against preventable diseases, policy reform around child welfare and reducing violence against children.

In the year ahead we are also going to forge ahead with efforts to provide greater opportunities for persons with disabilities to participate in the economy and in society in general.

As we rebuild our economy in the midst of this pandemic, it is necessary that we continue – within our means – to provide support to those businesses and individuals that continue to be most affected.

Businesses in several sectors are still struggling and many families continue to suffer as the job market slowly recovers. Over the last few months, we have had ongoing discussions with our social partners in business, labour and community-based organisations on the proposed extension of some of the social and economic support measures.

We have therefore decided to extend the period for the special COVID-19 grant of R350 by a further three months. This has proven to be an effective and efficient short-term measure to reduce the immediate impact on the livelihoods of poor South Africans who are out of work.

We have also decided to extend the COVID-19 TERS benefit until 15 March 2021, but only for those sectors that have not been able to open or to operate. The conditions for this extension and the sectors to be included will be announced after consultation with the social partners at the National Economic Development and Labour Council, Nedlac.

The National Treasury will work with its partners and stakeholders on improvements that we believe now need to take place to the loan guarantee scheme that we inaugurated when we announced the R500 billion distress relief package. Now, this would be better addressed through the discussions that will be held, but we also wanted to address the realities of SMMEs and other businesses as they strive to recover. That scheme needs to be recrafted and repositioned. The Minister of Finance will deal with the matter. We will work with our social partners to ensure that these and other interventions provide relief to those who most need it.

Fellow South Africans, just as a harsh fire gives new life to our country's fynbos, this crisis is an opportunity to build a different and a better South Africa. Rebuilding our country requires a common effort. It requires that every South African take responsibility and play their part.

Let us work together as government, as business, as labour, as political parties and as all of society to clear away the rubble and lay a new foundation as we rebuild our country.

Above all, let us return this country to the values upon which it was founded. On the day of his release, 31 years ago, Madiba gave his first public address here in Cape Town, where he reminded South Africans that there were difficult days that lay ahead and that the battle was far from won. Madiba said: "Now is the time to intensify the struggle on all fronts. To relax our efforts now would be a mistake which generations to come will not be able to forgive."

In counting the great cost to our society over the past year, we may be tempted to lose faith. But we can get through this, because we are a nation that never gives up; we are a nation that is never defeated; we are a nation of heroes right across the country. I am referring not to the glorious lineage of struggle icons, but to the everyday heroes that walk among us, who work hard every day to put food on the tables of their homes, to keep their companies running, and to give support, help and care to our people. It is your resilience that will help this country recover.

In addition to the many challenges that beset our people, we have heard that His Majesty King Goodwill Zwelithini has not been well in recent days and has had to be admitted to hospital. I wish to convey my wishes for the speedy recovery of His Majesty King Zwelithini. Our thoughts and prayers are with the royal household and the Zulu nation at this difficult time that the king is going through. It is our collective wish that *Isilo Samabandla Wonke* is soon restored to good health.

As we prepare for the difficult path that lies ahead, we can draw strength from Maya Angelou's great poem "Still I Rise". She writes:

Out of the huts of history's shame
I rise
Up from a past that's rooted in pain
I rise
I'm a black ocean, leaping and wide,
Welling and swelling I bear in the tide.

Leaving behind nights of terror and fear
I rise
Into a daybreak that's wondrously clear
I rise
Bringing the gifts that my ancestors gave,
I am the dream and the hope of the slave.
I rise
I rise
I rise.

People of South Africa, it is your country that calls on you to rise. Let us march forward together to equality, to growth, to dignity and to recovery. May God continue to bless and protect our beautiful country and to protect her sons and daughters. I thank you.

6. The Chairperson of the National Council of Provinces adjourned the Joint Sitting at 20:21.

PN TYAWA
Acting Secretary to Parliament