

JS 2 – 2023] FIFTH SESSION, SIXTH PARLIAMENT

REPUBLIC OF SOUTH AFRICA

MINUTES OF PROCEEDINGS

OF

JOINT SITTING

THURSDAY, 9 FEBRUARY 2023

1. Members of the National Assembly and the National Council of Provinces assembled in the Cape Town City Hall at 19:00.
2. The Speaker of the National Assembly and Chairperson of the National Council of Provinces 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. [19:07] The President of the Republic commenced his address and was interrupted.
6. [19:15] Mr V Zungula having disregarded the authority of the Chair was ordered by the Speaker of the National Assembly to withdraw from the Chamber for the remainder of the day's sitting.

When the member refused to leave the Chamber, the Speaker of the National Assembly called upon the Acting Serjeant-at-Arms to remove the member from the Chamber.

The member having continued to refuse to leave the Chamber after the intervention of the Acting Serjeant-at-Arms, the Speaker of the National

Assembly called upon the Parliamentary Protection Services to assist in removing the member from the Chamber in terms of Joint Rule 14GA(1).

Whereupon the member withdrew from the Chamber.

7. [19:32] Mr N F Shivambu, Mr J S Malema, Ms N V Mente, Ms O M C Maotwe, Mr M M Dlamini and Dr M Q Ndlozi having disregarded the authority of the Chair were ordered by the Speaker of the National Assembly to withdraw from the Chamber for the remainder of the day's sitting.

When the members refused to leave the Chamber, the Speaker of the National Assembly called upon the Acting Serjeant-at-Arms to remove the member from the Chamber.

The members having continued to refuse to leave the Chamber after the intervention of the Acting Serjeant-at-Arms, the Speaker of the National Assembly called upon the Parliamentary Protection Services to assist in removing the member from the Chamber in terms of Joint Rule 14GA(1).

Mr Malema, together with other members of the Economic Freedom fighters, resisted attempts to be removed from the Chamber and proceeded to approach the podium.

Due to the reasonable prospect of violence or serious disruption the Speaker of the National Assembly suspended the proceedings, members of the security services proceeded to assist with the removal of the members in terms of Joint Rule 14GA(12) and sections 4(1) and (2) of the Powers Privileges and Immunities of Parliament and Provincial Legislatures Act No. 4 of 2004.

JOINT SITTING SUSPENDED AT 19:33 AND RESUMED AT 19:37.

8. [19:45] The President of the Republic continued to deliver his address as follows:

Speaker of the National Assembly, I greet you once more as well as the Chairperson of the National Council of Provinces, Mr Amos Masondo. I also extend my greetings to Deputy President of the Republic, David Dabede Mabuza, the Executive Mayor of the City of Cape Town, Mr Geordin Hill-Lewis, former President Thabo Mbeki, former Deputy President Baleka Mbete, President of the Pan-African Parliament, the Right hon Chief Fortune Charumbira, Chief Justice of the Republic, Raymond Zondo and members of the judiciary, premiers here present, mayors, heads of institutions supporting democracy, deputy president of the governing party, Mr Paul Mashatile and leaders of other parties, Members of Parliament, Chief of the SA National Defence Force, Commissioner of the SA Police Service, Commissioner of the SA Revenue Service, fellow South Africans, it is indeed a great honour for me, despite what happened earlier, to stand before you this evening to present the state of the nation.

A moment of the state of the nation endears us to ask ourselves a number of questions but the one I want to focus on today is what defines us as a nation.

We are not a nation defined by the oceans and the rivers that form the boundaries of our land.

We are not defined by the minerals under our earth or the spectacular landscape above it.

We are not even defined by the languages and the cultures that we have as a people, or by the songs that we sing, or even by the work that we do.

We are, at our most essential, a nation defined by hope and resilience. It was hope that sustained us during the struggle for freedom and it is hope that swells our sails as we steer our country out of turbulent waters to calmer seas.

Even in these trying times it is hope that should sustain us and fuel our determination to overcome even the greatest of difficulties - and difficulties we have by the time, just three years ago, our country was devastated by the worst global pandemic in living memory. Thousands of lives were lost, companies that employ many of our people closed, and jobs were lost.

COVID-19 did not browbeat us into submission or disillusionment. Working together, we overcame that crisis, and we have started to recover. And it is important for us to pause for a moment and look back whence we have come. We have recovered, much as a number of families – more than a 100 000 - have lost their loved ones.

But it is during this period, as we look back, and as we look at what has been unfolding, that we need to say, there are certain things that are happening in our country that we need to take note of. Today our economy is larger than it was before the pandemic. Between the third quarters of 2021 and 2022, around 1,5 million new jobs were created in our economy. That's something to note.

The Presidential Employment Stimulus has provided work and livelihood opportunities to more than 1 million people who did not work.

Last year, our matriculants – something that we need to be proud of - defied the effects of the pandemic to achieve a pass rate of 80% and we congratulate them for that achievement.

We see this spirit of resilience, determination and achievement in our artists, musicians, actors, authors and sportsmen and women, who are making waves here at home, on the continent and beyond our shores.

Banyana Banyana made us proud when they won the Women's African Cup of Nations to become the African champions.

Zakes Bantwini, Nomcebo Zikode and Wouter Kellerman just recently made our country proud at the Grammy Awards for their collaboration in the song Bayethe.

What we have achieved as a nation over the past year, despite our challenges, should remind us that the promise of South Africa is alive. The progress we have seen should give us courage as we look, and as we must look to a better future.

And yet, I address you this evening, fellow South Africans, in your homes across the country, and many people are suffering, many are worried, many are uncertain and many are without hope.

But of this I am certain. Whatever the difficulties of the moment, whatever the crises that we face, we will rise to meet them together and, together, we will overcome them. This, we will be able to do if we work together and more importantly, if we leave no one behind.

We gather here at a time of crisis. Our country has, for many months, endured a debilitating electricity shortage that has caused immense damage to our economy and to the livelihoods of our people. And for two years before that, our society – as I said - was devastated by the COVID-19 pandemic that caused great loss of life and much hardship. The pandemic worsened a situation of deep unemployment, as we lost more than 2 million jobs. The pandemic negatively affected livelihoods and increased poverty.

In July 2021, we experienced the worst public violence and destruction in the history of our democracy, causing the loss of over 300 lives.

Last year, parts of the Eastern Cape, KwaZulu-Natal and North West were struck by catastrophic flooding that caused extensive loss of life, the destruction of homes and damage to infrastructure.

And now, persistent load shedding is impeding our recovery from the effects of all these events. We know that without a reliable supply of electricity, businesses cannot grow, assembly lines cannot run, crops cannot be irrigated and basic services are interrupted. Load shedding means that households and our supermarkets and shops are unable to keep food fresh, water supply is often disrupted, traffic lights do not work, and streets are not lit at night.

Without a reliable supply of electricity, our efforts to grow an inclusive economy that creates jobs and reduces poverty will not succeed.

Therefore, as we outline our agenda for the year ahead, our most immediate task is to dramatically reduce the severity of load shedding in the coming months and ultimately end load shedding altogether.

Under these conditions, we cannot proceed as we usually would. The people of South Africa want action, they want solutions and they want

government to work for them. They simply want to know when a problem like load shedding will be brought to an end.

We are therefore focused on those actions that will make a meaningful difference now, that will enable real progress within the next year and that will lay a foundation for a sustained recovery into the future.

We are not presenting new plans, nor are we outlining here the full programme of government. Rather we are concentrating on those issues that concern South Africans the most: load shedding, unemployment, poverty and the rising cost of living, and crime and corruption.

I must say, hon members, there are no easy solutions to any of these challenges. Yet, we have the strength, the means and the wherewithal to overcome them. If we work together and act boldly and decisively, leaving no one behind, we will be able to resolve our challenges.

This state of the nation address is about seeing hope where there is despair. It is about showing a way out of these crises.

This evening, we will give an account of a number of areas where progress in implementing the commitments we made in last year's state of the nation address has been made. And there are other areas where progress has not been made and we will be quite candid about that.

Over the course of the last year, we have laid a firm foundation based on the commitments that we made for faster growth through our investment drive, the economic reforms that we have embarked upon, public employment programmes and an expanding infrastructure programme.

What is clear from our experience of the last few years – indeed from our history as a democracy – is that we are not a people easily resigned to our fate. When we faced the greatest challenge of apartheid, we did not submit to the oppression that the apartheid regime imposed on our people. We stood firm and engaged in a struggle, hopeful that our cause would triumph. And it did. Against all odds we were able to succeed.

We can and we will change the circumstances in which we find ourselves today. We are both able and determined to overcome the difficulties that we face and place our economy on a firm path to recovery.

Our most immediate priority is to restore energy security. We are in the grip of a profound energy crisis, the seeds of which were planted many years ago.

We cannot undo the mistakes that were made in the past, the capacity that was not built, the damage that was done to our power plants due to a lack of maintenance, and the effects of state capture on our institutions. What we can do is to fix the problem today, to keep the lights on tomorrow and for generations to come.

In July last year, I announced a clear action plan to address the energy crisis. This was to address the electricity shortfall of 4 000 to 6 000 megawatts.

The plan outlined five key interventions: Firstly, to fix Eskom's coal-fired power stations and improve the availability of existing supply. Secondly, to enable and also accelerate investment in generation capacity. Thirdly, to accelerate procurement of new capacity from renewables, gas and battery storage. Fourthly, to unleash businesses and households to invest in rooftop solar. Lastly, to fundamentally transform the electricity sector to achieve long-term energy security. Many experts agree that this plan is the most realistic route to end load shedding.

During the last six months, we have made important progress in implementing this plan. We have taken steps to improve the performance of Eskom's existing power stations so that the coal-fired power stations that provide 80% of our electricity produce the amount of electricity for which they were designed.

Under its new board, Eskom is deploying people and resources to improve the reliability of the six power stations that have contributed the most to load shedding.

Eskom is urgently fast-tracking the construction of a temporary solution to bring back three units at Kusile power station following the collapse of a chimney or flute last year, whilst simultaneously repairing the permanent structure.

We are rebuilding the skills that have been lost over time and have already recruited skilled personnel at senior levels to be deployed at underperforming power stations. This is where South Africans have come to the fore voluntarily and offering their services.

It has just been amazing, the way South Africans have rallied together to say, this is our common problem and we must work together to resolve it, and not stand on rooftops and just criticise but find ways of resolving this problem.

The Engineering Council of SA has offered to give as much assistance as required by deploying engineers to work with the management teams at power stations.

We have deep skills and expertise right here in South Africa; we just need to use them.

National Treasury is finalising a solution to address Eskom's R400 billion debt burden and they are doing so in a manner that is equitable and fair to all stakeholders, which will enable the utility to make the necessary investments in maintenance as well as transmission.

Government will support Eskom to secure additional funding to continue purchasing diesel for the rest of the financial year. This should reduce the

severity of load shedding as Eskom will be able to use its diesel-run plants when the system is under strain.

Eskom has launched a programme to buy excess power from private generators and has already secured 300 megawatts from our neighbouring countries.

The SA Police Service has established a dedicated team with senior leadership to deal with the pervasive corruption and theft at several power stations that have contributed to the poor performance of a number of these stations. Intelligence-driven operations at Eskom-related sites have so far resulted in 43 arrests and more.

As part of the broader reform process, the restructuring of Eskom that we previously announced and spoke about here in this Parliament, is proceeding and a national transmission company will soon be operational with an independent board.

Later this year, we will table the Electricity Regulation Amendment Bill to this Parliament to transform the energy sector and establish a competitive electricity market like what is done in other countries.

As indicated in July last year, and with a view to addressing the load shedding crisis, we are going to proceed with the rollout of rooftop solar panels.

In his Budget Speech, the Minister of Finance will outline how households will be assisted and how businesses will be able to benefit from a tax incentive.

National Treasury is working on adjustments to the bounce-back loan scheme to help small businesses to invest in solar equipment, and to allow banks and development finance institutions to borrow directly from the scheme to facilitate the leasing of solar panels to their customers.

One of the potent reforms we have embarked upon is to allow private developers to generate electricity. There are now more than 100 projects which are expected to provide over 9 000 megawatts of new capacity over time.

A number of companies that have participated in the renewable energy programme will soon enter construction and deliver a total of 2 800 megawatts of new capacity.

Eskom will procure emergency power that can be deployed within six months to close the immediate gap.

We are investing in new transmission lines and substations, especially in areas such as the Eastern Cape, Northern Cape and Western Cape.

All of these measures will result in a massive increase in power to the grid over the next 12 to 18 months and beyond.

This power will be in line with our diverse mix of energy sources, including our current coal-fired power stations, solar, wind, gas, nuclear, hydro and battery storage.

To fully implement this plan, we need a central coordination and decisive action. Some of the processes have been held up by regulations and various processes that are embedded in the architecture that we have regarding energy.

In a time of crisis, we need a single point of command and a single line of march.

Just as we address the cause of the crisis, we also need to address its impact. The crisis has progressively evolved to affect every part of society.

We must act to lessen the impact of the crisis on farmers, on small businesses, on our water infrastructure and our transport network, and a number of other areas and facilities that support our people's lives.

In considering all these matters and the crisis that we are in, the National Disaster Management Centre has consequently classified the energy crisis and its impact as a disaster.

We are therefore declaring a national state of disaster to respond to the electricity crisis and its effects.

The Minister of Cooperative Governance and Traditional Affairs has just gazetted the Declaration of the State of Disaster, which will begin with immediate effect.

What will the state of disaster enable us to do? It will enable us to provide practical measures that we need to take to support a number of businesses for example, in the food production, storage and retail supply chain, including for the rollout of generators, solar panels and uninterrupted power supply.

Where technically possible, it will also enable us to exempt critical infrastructure such as hospitals and water treatment plants from load shedding.

And it will enable us to accelerate energy projects and limit regulatory requirements while maintaining rigorous environmental protections, procurement principles and technical standards.

The Auditor-General will be brought in to ensure continuous monitoring of expenditure, in order to guard against any abuses of funds needed to attend to this disaster.

To deal more effectively and urgently with the challenges that confront us, I will appoint a Minister of Electricity in the Presidency to assume full

responsibility for overseeing all aspects of the electricity crisis response, including the work of the National Energy Crisis Committee. The Minister will focus full time and work with the Eskom board and management on ending load shedding and ensuring that the Energy Action Plan is implemented without delay.

So as to remove any confusion, the Minister of Public Enterprises will remain the shareholder representative of Eskom and steer the restructuring of Eskom, ensure the establishment of the transmission company, oversee the implementation of the just energy transition programme, and oversee the establishment of the SOE Holding Company.

The process of restructuring government will give us an opportunity to determine the positioning of various areas of responsibility and how best the various ministries and departments can best serve our national objectives. We are focusing our attention on the energy crisis right now and will address the restructuring of government in due course.

This is necessary because an effective response to this crisis involves several different departments as well as entities that require coordination from the centre of government.

We will be including other social partners in an effective structure similar to the one we set up to drive the vaccine rollout.

Extraordinary circumstances do call for extraordinary measures.

We have co-operated extremely well with a number of role-players.

The energy crisis is an existential threat to our economy and to the social fabric of our country.

We must therefore spare no effort, and we must allow no delay in implementing the measures that are going to enable us to address the crisis.

And I'm doing this. Much as we have the various regulations and laws, the co-ordination, particularly when it comes to addressing the electricity crises, is an important instrument that I need to enable us to address this process.

Hence, we will have this Minister who will, day and night, just be focusing on this crisis that we are dealing with.

As we take these actions to resolve the energy crisis, we are mindful of the risks that climate change poses to our society.

Extreme weather events in the form of drought, floods and wild fires increasingly pose a risk to the health, wellbeing and safety of our people.

We will continue our just transition to a low carbon economy footprint at a pace our country is able to keep up with, a pace we can afford and in a

manner that ensures energy security. We will undertake our just transition in a way that opens up the possibility of new investments, new industrialisation and that, above all, creates new jobs.

The Presidential Climate Commission is guiding much of this work, and, in doing so, building a new model for inclusive and collective decision-making, incorporating the individuals, workers, and communities that are most affected in the transition. Much as I'm the chairman of this Commission, I ably assisted by Mr Valli Moosa who used to be a Minister in our government.

Through the Just Energy Transition Investment Plan, R1,5 trillion will be invested in our economy over the next five years in new frontiers, new sectors of our economy, such as renewable energy, green hydrogen, electric vehicles, fuel cells, and you name them.

These new sectors are emerging in our economy and are emerging quite fast in the green energy and electric vehicles.

Many other countries are already moving towards manufacturing electric vehicles and we cannot be left behind as South Africans.

And as we move on, we will be able to address, yes, all these new technologies and industries because this new period ushers in a number of opportunities to create jobs.

A number of projects are already underway, including the development of a new facility by Sasol at Boegoebaai in the Northern Cape, the Prieska Power Reserve in the Free State, and the Hydrogen Valley initiative in Limpopo and KwaZulu-Natal.

The Northern Cape has already attracted well over R100 billion in investments in renewable energy projects. These projects, no doubt, are going to create a lot of jobs. There are a lot of new investments that are happening in the Northern Cape and they have ushered in a great deal of hope amongst the people of the Northern Cape.

These and other massive investments in renewable energy will create jobs and stimulate local economies not only in the Northern Cape, but also in the Eastern Cape, Western Cape and Mpumalanga, turning even the most arid desert into a giant energy source.

Above all, our just transition will prioritise workers and communities in vulnerable industries to ensure that no one is left behind.

Our economy needs to grow much faster if we are to meaningfully reduce unemployment. Unemployment in our country is a structural form of challenge and problem but we need to address it.

In the state of the nation address last year, we spoke of our intention to forge a comprehensive social compact that would join all social partners

in a common programme to rebuild our economy and enable higher growth.

But I must say tonight that we have not been able to conclude a comprehensive social compact in the timeframe we had envisaged because a number of new circumstances emerged that made it difficult for social partners to forge a consensus.

However, the good thing is that the social partners have expressed their clear intention – and I’ve talking to them until just yesterday, both labour, business and community – to conclude a social compact and have continued to work on a framework to enable joint action in key areas such as energy, transport, logistics, employment creation and skills development.

I have no reason to doubt the commitment they have expressed to me. They have also identified a number of areas in terms of localisation, social protection, crime and corruption.

While we remain committed to forging a new consensus amongst all sectors of our society, we have also undertaken practical collaboration in specific areas. It is not like processes of consensus building have not been going on. They have!

A number of other compacts have been concluded amongst social partners.

We see the commitment of all social partners in the compacts that have been forged to fight the COVID-19 pandemic and undertake the largest vaccination programme where we worked very closely with business and labour.

We have seen it in initiatives like the Solidarity Fund that mobilised society, citizen activism and funding to achieve common goals, and in partnerships to end gender-based violence and femicide, and to also respond to the effects of climate change.

We have seen the benefits of this approach to promote investment and to develop master plans in sectors of the economy such as automotive, clothing and textiles. Many of us will remember that the clothing and textile sector had almost been wiped out in our country. Social partners got together and decided that had to save our clothing and textile industry.

We have seen them work together in poultry, sugar, agriculture and global business services.

The master plans that have been concluded are supporting the revival of various sectors of our economy. They are also bringing about investment by the private sector and yielding new jobs and supporting livelihoods.

We are pleased that social partners, particularly business, has been providing support to implement the Energy Action Plan in the spirit of

social compacting. Similarly, we have developed a close working relationship with both labour and community-based organisations in supporting other aspects of the energy crisis response.

Just as energy is essential for economic growth, so is another important area of South African life, a reliable water supply, efficient transport and road infrastructure system.

Our rail network has suffered from many years of underinvestment, lack of maintenance, criminal activity and inefficiency.

To address this, last year, we adopted the National Rail Policy to guide the modernisation and reform of the rail sector, providing, among other things, for third-party access to our rail network. Those who have money should come and participate without diluting the important role that is played by government.

We are working across government to develop a Transnet roadmap that will translate our policy commitments into reality, including the restructuring of Transnet Freight Rail to create a separate infrastructure manager for the rail network by October 2023.

Transnet and private sector companies will conclude partnerships at the Durban and Ngqura container terminals to enable new investment in our ports and improve their efficiency. This will help our ports regain their global position as some of the most efficient ports once again.

There has been great success for instance in repositioning the Port Elizabeth Automotive Terminal, which has more than doubled its capacity and has already seen an increase in exports.

Many more vehicles destined for overseas markets are rolling off the Port Elizabeth automotive terminal.

Transnet is also rehabilitating its idle locomotives and expanding its fleet. Soon, there will be a solution to the challenge that we have been facing with regard to getting our locomotives to move once again.

We have faced challenges in the transportation of commuters on passenger rail and this has been raised sharply with us by trade unions who represent the working people of our country.

Following the restructuring that is underway in Prasa, 13 commuter rail lines have been reopened, significantly reducing the cost of travel for many workers.

The reliable supply of water is essential for the well-being of people and the growth of our economy – as I drink my water now.

To ensure water security now and into the future, the Department of Water and Sanitation is leading the process of investing in major infrastructure projects across the country. And the water department and

Ministry has a deep knowledge of the water network throughout our country. They have already made plans for various water systems in our country and what we need to do.

After being delayed for several years, full-scale construction works for the Lesotho Highlands Phase Two project will commence this year. I will be going to Lesotho with the Prime Minister of Lesotho to go and see the works that are underway.

The Lesotho Highlands project is critical for ensuring security of water supply to Gauteng, Free State, Mpumalanga, North West and Northern Cape.

Several decades after it was first proposed and nine years after a sod-turning ceremony was held, the first phase of the Umzimvubu Water Project will start in the next financial year. This phase, which involves construction of the Ntabelanga Dam, irrigation infrastructure and the distribution of water to surrounding communities, will be financed by government. The next phase will be the construction of the Lilane Dam which will include a hydro power station.

Major projects to increase the capacity of the Clanwilliam Dam, Hazelmere Dam and the Tzaneen Dam will improve the supply of water to the West Coast, eThekweni and the eastern part of Limpopo.

I went with the Minister of Water and Sanitation to the Giyani project that has been lying fallow for years and we were able to see the first flow of water. I have insisted that, that project must be completed and the people around the Giyani villages must get their water.

Last year, we announced a comprehensive turnaround plan to streamline the process for water use license applications, which is vital to enable greater investment.

Since then, we have cleared the backlog of water-use licenses and reduced the turnaround time for applications to 90 days. We did identify this as one of the reform processes that we spoke about here and that has now been reduced. A number of people used to wait up to three years just to get a water license. It has now been reduced to 90 days.

Our infrastructure build programme is gaining pace through the work of the Infrastructure Fund and Infrastructure SA, which has been established to support strategic infrastructure projects.

One of the greatest obstacles to infrastructure investment is the lack of technical skills and project management capacity. And we have found this weakness across all of government.

To fix this, Infrastructure SA has been allocated R600 million for project preparation, specifically in rural and under-resourced areas.

The support and planning mechanisms that we have put in place over several years are now starting to bear fruit in increased public investment in infrastructure.

By January this year, projects worth R232 billion were under construction and projects worth nearly R4 billion had been completed. The completed projects include new human settlements in Gauteng, road upgrades and the development of small harbours.

In a major development, the SA National Roads Agency, Sanral, has awarded road construction contracts worth R18 billion over the last three months. This is where we begin to see real movement and this is where construction companies begin to see real contracts being awarded.

The construction of the Msikaba Bridge and Mtentu Bridge will be finished and make travel in the Eastern Cape much better.

This investment will substantially benefit the construction industry and enable large-scale job creation, skills development and poverty relief, especially in rural communities.

What I like about these projects is that, as they are executed, the communities around these projects become part of the project development. They are also involved in various ways. It's not like construction companies that are parachuted in and then move out. They leave skills developed in the area, small and medium enterprises were also developed, established and growing.

Last year, we said we would increase the construction of rural bridges as part of the Welisizwe programme, to enable residents to easily and safely reach schools, workplaces and amenities.

A number of us would have seen horrific pictures of rivers in flood, people not being able to cross the rivers, young people not able to go to schools, and the residents around those rivers not able to travel at all.

Twenty-four bridges in KwaZulu-Natal are currently under construction and site preparations are being made for a further 24 bridges.

This is all being done with a great technical capability of the SA National Defence Force whom we must applaud because they are building the bridges for our country.

In the telecommunications sector, one of the things that we spoke about in the last state of the nation address, the completion of the spectrum auction has unlocked new investment and contributed R14 billion to the fiscus.

During the course of this year, we will migrate the remaining households to digital television signal and complete the switch-off of analogue transmission. This has taken quite a long time but, yes, better late than never. That's where we are.

Saying better late than never is not a culture and a practice that I want to see continuing in government. I want to see agility and faster execution. I want to see everyone across government doing their work and making sure that we do indeed achieve what we said we will.

This will release valuable spectrum for the rollout of 5G mobile networks and will reduce the cost of data. These actions will bring us closer to our vision of affordable, high-speed internet access for all.

In the state of the nation address last year, I said, whenever I try to call a number of my colleagues who live in the rural areas, they don't have connectivity. They always say, because we are in the rural areas, we don't have that.

This initiative is going to enable even the people in our rural areas to have better connectivity like all others in the urban areas.

We said in the state of the nation address that we would concentrate our efforts on mobilising greater levels of investment, which is essential to growing the economy and creating jobs. We said that we would give impetus to the campaign that we embarked on nearly five years ago to raise \$100 billion which translates into R1,2 trillion.

Last year, the 4th South Africa Investment Conference raised R367 billion in investment commitments, bringing our five-year investment target firmly within sight.

Over the last year, many of these commitments have resulted in the companies that made those commitments investing in new factories, call centres, solar power plants, undersea fibre optic cables, the expansion of production lines and the adoption of new technologies.

Importantly, these investments have resulted in new jobs and new opportunities for small emerging businesses as well.

On 3 April this year, we will hold our fifth South Africa Investment Conference.

At this conference, we will set a new target, having achieved our R1,2 trillion, to mobilise – and this is an investment-mobilising opportunity we have - more than R2 trillion in new investment by 2028.

The investments that have flowed into the economy to date have contributed to a substantial increase in local production. These investments have encouraged our efforts to buy local.

Last year, I delivered the state of the nation address wearing a suit and shoes proudly made in South Africa. This evening, I am drinking – and this is the glass – water from a glass made in Wadeville last week by workers from Katlehong, Vosloorus and Germiston. For many years, I can tell you, South Africa has been importing its drinking glasses. Now we are increasingly making them locally. But it's not just glasses.

If you go to hospital for an operation – and Heaven forbid that it should happen - chances are that you will receive an anaesthetic made in a world-class manufacturing facility in the Eastern Cape.

During my state visit to the United Kingdom last year, a South African firm obtained a licence to produce an oral vaccine for cholera for the first time here in South Africa.

Competition merger agreements have provided for more fuel to be refined locally and more food to be bought from local farmers.

Last year we committed to unlocking investment in the hemp and cannabis sector. We are moving to create the enabling conditions for the sector to grow. This is an organic sector that our mothers, fathers and grandparents have been involved in in many parts of the country.

The Department of Agriculture, Land Reform and Rural Development and the Department of Health will address existing conditions for the cultivation of hemp and cannabis to allow outdoor cultivation and collection of harvests from traditional farmers. This will unlock enormous economic energy in the rural areas of the country, especially in the Eastern Cape, KwaZulu-Natal and Mpumalanga where they have been growing this stuff for many, many years. This stuff has supported many children in going to school and university. And you know what stuff I'm talking about!

Urgent work is being finalised by government to create an enabling regulatory framework for a whole plant, all-legitimate-purposes approach for complimentary medicines, food, cosmetics, and industrial products, aligned to international conventions and best practices.

This includes the reprioritisation of departmental budgets for sector development and support for traditional, black farmers, and the alignment of SA Police Services enforcement with regulatory reforms.

A growing economy must also be an increasingly inclusive economy. The inaugural Black Industrialists Conference in July last year showed the successes of black South Africans in producing food, car parts, furniture, clothing, steel, chemicals and mining products, creating many thousands of jobs and adding to our gross domestic product. We now have almost 1 000 black industrialists participating in the black industrialists programme.

As an example of the technological prowess of these industrialists, one of the award winners at the conference was Astrofica Technologies, a company co-founded by a black woman, Jessie Ndaba, that provides data solutions for the operation of satellites. She told me that she exports these processes to a number of other countries that launch satellites into space.

We have made progress in the last year in achieving greater levels of worker ownership in the economy. There are now more than 400 000

workers who own shares in the firms they work for. This has been at the instance of DTCI, which has been nudging companies to move in that direction.

Growth and the creation of jobs in our economy will be driven by small- and medium-sized enterprises, co-operatives and informal businesses. In other countries, most of the jobs – almost 60% – are created by this category of companies.

Last year, we launched the bounce-back loan scheme administered by banks and other financial institutions, and guaranteed by government, for companies that need finance to recover from the effects of the pandemic.

The Department of Small Business Development will work with National Treasury on how the scheme can be strengthened to assist small and medium enterprises and businesses in the informal sector.

To address the challenge of youth unemployment, the Employment Tax Incentive has been expanded to encourage businesses to hire more young people in large numbers. This is a scheme that is underwritten by government.

Last year, I announced that we would be seeking to reduce red tape so that we rid our country of the unnecessary bureaucracy that often holds us back.

The red tape reduction team in the Presidency under Mr Siphon Nkomo has been working with various departments to make it easier to do business.

It has taken a collaborative approach, working with departments and agencies in areas such as the mining rights system, tourism transport operator licences, visas and work permits, early childhood development and the informal sector.

This year, we will finalise amendments to the Businesses Act to reduce regulatory impediments for SMMEs and co-operatives and make it easier for entrepreneurs to start businesses.

Through the Small Enterprise Finance Agency, Sefa, we plan to provide R1,4 billion in financing to over 90 000 entrepreneurs.

Government in partnership with the SA SME Fund is working to establish a fairly substantial fund which could be up to R10 billion to support SMME growth. Government, through the Ministry of Finance, is looking at the possibility of providing a portion of that funding so that, yes, business should also be able to provide some R7,5 billion that will be raised from the private sector. This will then provide a great fund that our small and medium enterprises will be able to tap into. The good thing is that here we will be working with the private sector which is much more driven, which is much more focused and which moves faster. Together with them, we, as government, will then be able to have this fund set up

so that we can support the creation of jobs through small and medium enterprises.

The licensing of the PostBank will lay the foundation for the creation of a state bank that will provide financial services to SMMEs, particularly to youth- and women-owned businesses and other underserved communities.

As the National Assembly considers the Postbank Amendment Bill, the Postbank is reviewing its service offerings so that it can provide a viable and affordable alternative to the commercial banks. This is because we always hear many of our people who need funding. When they go to commercial banks they are always fobbed off and rejected because they don't have collateral, because they don't have this and all that.

The most effective and sustainable way to build an economy is to equip people with the skills and know-how to drive it. We have therefore been working to strengthen the link between the skills that we develop and the skills the workplace needs.

This year, the National Skills Fund will provide R800 million to develop skills in the digital and technology sector through an innovative model that links payment for training to employment outcomes.

We reiterate our call to companies, government departments and state-owned enterprises to remove the requirement for work experience for young people seeking entry-level positions. Now, it is often said that you must have experience even when you are a first-time job seeker. Where will you get the experience when you have not been given an opportunity to work? That is why we say, remove that requirement.

Last year, we said that we would place over 10 000 TVET college graduates in employment. We have surpassed that figure and have now set a target for 2023 of 20 000 TVET graduates to be placed in employment.

The number of students entering artisan training in TVET colleges will be increased from 17 000 to 30 000 in the 2023 academic year.

One of the key ingredients for economic growth and competitiveness is the ability to attract skills which the economy needs. Having completed a comprehensive review of the work visa system, we will move quickly to implement the recommendations put forward.

We have had a real veteran in the civil service, Mr Mavuso Msimang, who has been focused on just doing the research and looking at the recommendations that can be put forward. These include establishing a more flexible points-based system to attract skilled immigration, implementing a trusted employer scheme to make the visa process easier for large investors and streamlining the application requirements.

We will also be introducing a remote worker visa and a special dispensation for high-growth start-ups.

While the reform programme is underway, we will continue to support public and social employment to provide work to those who need it.

Last year, we spoke about the value of the Presidential Employment Stimulus in providing work and livelihood opportunities. The initiative has now created over 1 million opportunities, reaching every province and district in our country.

Last week, a new cohort of 150 000 school assistants started work at more than 22 000 schools, offering dignity, hope and vital work experience to young people who were unemployed.

The Social Employment Fund is recruiting 50 000 participants in its next phase to undertake work for the common good, and the revitalised National Youth Service will create a further 36 000 opportunities through non-profit and community-based organisations.

The Department of Home Affairs has appointed the first cohort of 10 000 unemployed young people to digitise more than 340 million paper-based civic records. This is an important task, which emanates also from our past – our apartheid past. These young people are going to be going through all this – 10 000 of them for a start and more to come have now been employed.

There are now more than 3 million users registered on SAYouth.mobi, a zero-rated online platform for young South Africans to access opportunities for learning and earning.

This has been done in close collaboration with the National Youth Development Agency, which continues to provide valuable assistance to young entrepreneurs and work seekers. I really applaud the NYDA for the focused manner in which they are helping young people.

The Presidential Employment Stimulus is also supporting people to earn their own living. Around 140 000 small-scale farmers have received input vouchers to buy seeds, fertiliser and equipment, providing a boost for food security and agricultural reform. This is particularly the case in our rural areas.

This initiative, which was researched by an independent academic, has led to the cultivation of some 640 000 hectares of land. An impressive 68% of these farmers are women. This year, we aim to provide 250 000 more vouchers to small-scale farmers. These are examples of the difference that government is making and can make in people's lives through innovation, creativity and commitment.

Fellow South Africans, the rising cost of living is deepening poverty and inequality. Millions of South Africans are unable to provide for themselves and their families. There is the single mother in Alexandria, worried about how she will make ends meet as the cost of maize and taxi fares continues to rise. There is the factory worker in Gqeberha who now

faces an uncertain future as load shedding brings the assembly line she works with to a halt.

It is the job of the state to provide a minimum level of protection below which no South African should fall. Right now in our country, there are more than 25 million people who receive some form of income or support from the state. In addition, around two million indigent households receive free basic water, free basic electricity and free solid waste removal.

Around 60% of our budget is spent on what is known as the social wage, providing various forms of support, basic services and assistance to households and individuals to combat poverty and hunger.

In support of this work and to counter the rising cost of living, we will continue the Social Relief of Distress Grant – that the Minister of Finance will talk to when he presents his Budget – which currently reaches around 7,8 million people.

We will ensure that existing social grants are increased to cushion the poor against rising inflation. This will be set out in the budget by the Minister of Finance.

Work is underway to develop a mechanism for targeted basic income support for the most vulnerable, within our fiscal constraints. This will build on the innovation we have introduced through the SRD Grant, including linking the data that we have across government to make sure we reach all those who are in need.

National Treasury is considering the feasibility of urgent measures to mitigate the impact of load shedding on food prices. This year, we will take steps to unlock massive value for poor households by expediting the provision of title deeds for subsidised houses.

The current backlog in processing title deeds is over 1 million houses, which amounts to an estimated R242 billion in assets that should be in the hands of South Africa's poorest households.

We will focus not just on eradicating this backlog, but on making the title deed system more effective and much more accessible.

As we undertook in the state of nation address last year, the Department of Public Works and Infrastructure has finalised the transfer of 14 000 hectares of state land for housing.

Access to quality education for all is the most powerful instrument we have to end poverty. We need to start with children who are very young, providing them with the foundation they need to write and read for meaning, to learn and to develop.

It is therefore significant that the number of children who receive the Early Childhood Development subsidy has more than doubled between

2019 and 2022, reaching 1,5 million children. But we still have a long way to go as there are some 7 million children that we have to reach.

The Department of Basic Education is streamlining the requirements of Early Childhood Development centres to access support and enable thousands more to receive subsidies from government.

While at the other end of the basic education journey, we must applaud, as I said earlier, last year's matric pass rate of 80% because it has a number of indicators for us, and the increase has been across all provinces where we have shown improvement. This was up from 76% the year before.

The share of bachelor passes in no-fee schools – these are schools that are in quintile 1 to quintile 3 - improved from 55% in 2019 to 64% in 2022. These are children who come from very poor families and that is why these schools are classified as no-fee schools where government supports the education of these children fully. The improvement that we are seeing is quite phenomenal. This means that the performance of learners from poorer schools is steadily improving, confirming the value of the support that government provides to them.

What these results reveal is that there is a silent revolution taking place in our schools. It is a silent revolution that is underway as we see these children improving and getting better.

Schools must be safe and allow for effective learning and teaching.

The Sanitation Appropriate for Education Initiative – known as Safe – together with government's Accelerated School Infrastructure Delivery Initiative has built 55 000 appropriate toilets with resources from the public and the private sector.

To produce the skills our country needs, we are expanding vocational education and training systems through the implementation of the approved curriculum of the three streams model.

This year, government plans to finalise the Comprehensive Student Funding Model for higher education, particularly for students who fall outside current NSFAS criteria, reaching those who are known as the “missing middle”.

Hon members, violent crime takes a heavy toll on every South African. Communities across our country live in fear for the safety of their families. This situation cannot continue and must not continue. We are strengthening the SA Police Service to prevent crime and improving the capacity of the National Prosecuting Authority and courts to ensure perpetrators are brought to justice. This includes putting more police on the streets and setting up specialised units that will focus on specific types of crime.

Last year, we undertook to recruit 12 000 new police personnel. Since then, more than 10 000 new recruits graduated from police academies and a further 10 000 will be recruited and trained this year.

The specialised police teams that are working on tackling crimes like kidnapping, extortion and illegal mining, have had several breakthroughs, arresting dozens of suspects and achieving several convictions. Firm action is being taken to tackle economic sabotage and related crimes that are causing great damage to the economy. Multidisciplinary Economic Infrastructure Task Teams are now operational in 20 identified hotspots.

Last year, I drew attention to the enormous damage caused by the theft of copper cable and metal from our electricity system, train lines and other public infrastructure. Since then, the police have been cracking down on cable theft. In December, government introduced a temporary ban on the export of scrap copper cable and certain metals to disrupt criminal syndicates and to enable a new trading system to be put in place.

As you may know, a number of countries on our continent have done exactly the same, because they have been suffering from exactly the same problem that we are suffering from.

Just as we have embarked on economic reforms in electricity, water, telecommunications and logistics through Operation Vulindlela, we are embarking on a process of reform to improve the effectiveness of our fight against crime.

We will use our competitiveness in call centre operations to support the proper functioning of the 10111 help line, partnering with the private sector. I have had reports from a number of people – some of whom have even written to me – saying that as they make contact with the 10111 line it goes unanswered most of the time. Now we are going to resolve this and address this problem. This is to ensure that when people call the police, their calls are answered and their emergencies are attended to.

We will also use data-driven methods in a more sophisticated way to identify and target crime hotspots.

Significantly, more funding will be made available in this budget for the police, the National Prosecuting Authority and the Special Investigating Unit.

Crimes against women and children remain a deeply disturbing feature of our national life. In November last year, we held the second Presidential Summit on Gender-Based Violence and Femicide to assess progress in the implementation of the National Strategic Plan, which we adopted as a comprehensive, effective and united response to this pandemic.

One of the great successes of our effort to fight gender-based violence is the extent to which social partners have rallied around the National Strategic Plan. In January last year, I signed into law three key pieces of legislation that afford greater protection to survivors of gender-based

violence and ensure that perpetrators are no longer able to use legislative loopholes to evade prosecution.

We continue to improve the accessibility and functioning of Sexual Offences Courts and expand the network of Thuthuzela Care Centres.

A key aspect of the National Strategic Plan is the economic empowerment of the women of our country. Since announcing our determination to direct at least 40% of public procurement to women-owned businesses, we have sought to establish an enabling environment to support women entrepreneurs. We have trained more than 3 400 women-owned enterprises to prepare them to take up procurement opportunities that are available in government.

Through the Women's Economic Assembly, we have seen industry associations and companies committing to industry-wide gender transformation targets.

The Industrial Development Corporation has earmarked approximately R9 billion to invest in women-led businesses.

Other entities including the Public Investment Corporation and the National Empowerment Fund have also committed to establishing special purpose vehicles to support women-owned businesses.

We must all play our part, as individuals, institutions and leaders across society, to end these crimes against women and children.

Last year, I said that we would take decisive action against corruption and make a clear break with the era of state capture. The State Capture Commission, headed by Chief Justice Raymond Zondo, completed its work and submitted the final part of its report in June last year.

As a country, we owe Chief Justice Zondo, together with the commission and its staff and all those who provided testimony, a huge debt of gratitude for the extraordinary public service that they have provided. The recommendations of the commission are being implemented according to the plan that I submitted to Parliament in October last year, so that the systemic weaknesses identified by the commission are addressed and that state capture never takes place ever again in South Africa.

The National Anti-Corruption Advisory Council, consisting of people from across society, is in place to advise on suitable mechanisms to stem corruption, including an overhaul of the institutional architecture for combatting corruption.

We are working to capacitate the Witness Protection Unit and will introduce amendments to the Protected Disclosures Act and to strengthen protections for whistle-blowers.

Work is already underway to improve access to the witness protection programme for public servants that expose maladministration, corruption and unethical conduct.

We will finalise the draft Public Procurement Bill to address weaknesses identified by the State Capture Commission and improve efficiency, value for money and transparency in our procurement system.

Our reinvigorated law enforcement agencies are taking firm action against companies and individuals alleged to have been involved in state capture. The NPA Investigating Directorate, which I established in 2019, has taken 187 accused persons to court in 32 state capture and corruption cases.

Over R7 billion has so far been returned to the state from state capture cases. To date, R12,9 billion of funds and assets have been frozen. This year, the Investigating Directorate will be established as a permanent entity within the NPA.

Fellow South Africans, to achieve any progress in addressing the urgent challenges we face, we need a capable and effective state. Our greatest weaknesses are in state-owned enterprises and local government. Many of our SOEs are struggling with significant debt, with underinvestment in infrastructure and, of course, with the effects of state capture and a shortage of skills.

We will implement the recommendation of the Presidential SOE Council to establish a state-owned holding company as part of a centralised shareholder owner model to ensure effective oversight of SOEs.

Separately, I have instructed the Presidency and National Treasury to work together to rationalise government departments, entities and programmes over the next three years.

National Treasury estimates that we could achieve a potential saving, if we restructure government, of some R27 billion in the medium term if we deal with overlapping mandates, close ineffective programmes and consolidate entities where appropriate.

The poor performance of many local governments remains an area of concern. Too many of our municipalities – 163 out of 257 – are dysfunctional or in distress due to poor governance, ineffective and sometimes corrupt financial and administrative management and poor service delivery.

Government is implementing a number of interventions to address failures at local government level and improve basic service delivery. These include enhancing the capacity of public representatives and officials, maintaining and upgrading local infrastructure, and invoking the powers of national government to intervene where municipalities fail to meet their responsibilities.

A professional public service, staffed by skilled, committed and ethical people, is critical to an effective state and ending corruption, patronage and wastage.

In response to the State Capture Commission and in line with the framework for the professionalisation of the public service, integrity assessments will become a mandatory requirement for recruitment to the public service and entry exams will be introduced.

We are amending legislation and strengthening the role of the Public Service Commission to ensure that qualified people are appointed to senior management positions and to move towards creating a single, harmonised public service.

Just as we are committed to improving the fortunes of our countrymen and women and to advancing shared prosperity for all, so too is our commitment to achieving a better Africa and a better world.

We are greatly concerned at the recent escalation of tensions between Israelis and Palestinians, and call for an end to hostilities and for a resumption of the stalled peace process.

South Africa expresses its deepest condolences to the people of Turkey following the devastating earthquake that they experienced earlier this week. As a country we are immensely proud of the efforts of the Gift of the Givers who have gone out to help those affected by the earthquake. As they go out there, they are flying the South African flag, and we are really grateful and proud of them.

We remain deeply concerned about the ongoing Russia-Ukraine conflict and urge all parties to cease hostilities and seek a peaceful solution through dialogue.

South Africa's fortunes are inextricably linked to those of our continent, and to the Southern African Development Community in particular. For the sake of our own stability and prosperity, we are duty-bound to pursue interventions that will bring peace, stability and development on our continent and in our own subregion. We will continue to get involved in the peace efforts that we need to get involved in.

We will continue to expand trade and investment opportunities with our global trade partners and will look to attract investment and financing to South Africa through our participation in multilateral forums such as the G20, which we will host in 2025.

This year South Africa assumes the chairship of the Brics group of countries. Our focus will be on collaboration on sustainable development, the just energy transition, industrialisation and the implementation of the African Continental Free Trade Area.

South Africa, together with our neighbours in the Southern African Customs Union, will soon finalise our industrial offering on the African Continental Free Trade Area so that we can start trading.

Once fully operationalised, Continental Free Trade will provide an unprecedented opportunity with regard to economic integration and growing national economies, and will open up new frontiers and markets for our South African companies.

Fellow South Africans, as I conclude, a nation's true character is revealed in times of crisis. A nation is defined by how its people meet the gravest of difficulties – whether they work together and confront their challenges as one, united by a common purpose, or whether they surrender to the problems before them. That is what defines a nation.

We are a nation seized with the challenges of the present, but we are also a nation striving to fulfil the promise of our future.

When we took our first steps on the road to democracy, we had a clear vision of where that road would lead us. We saw a country in which all people would be equal. We saw a country in which the wealth of our resources would be enjoyed by all.

We also saw and envisioned a country in which we could live together in peace, in which we could work together to build a common identity and a shared future.

Our nation is founded on a Constitution which affirms the democratic values of dignity, equality and freedom, and the rights of each and every one of us. The actions we have outlined this evening, building on the work we have already done, will bring us closer to that vision. Yes, there have been stops and starts; there have been detours. But, yes, they will bring us to that vision. They will enable us, working together and with purpose, to emerge from this crisis as a nation transformed.

We will emerge from this crisis with an electricity system that is more efficient, more reliable and more competitive, and an electricity system that serves the people of South Africa. We will emerge with ports and railways that again rival the best in the world, with broadband access for more South Africans in more parts of the country, and with a sustainable supply of quality water. We will welcome more tourists to our country, and develop and attract the skills our economy needs. We will create work for those who are unemployed, and give hope to those who have waited too long.

With more police on the street, with functioning community policing forums and an effective and independent prosecution authority, our people will be able to count on the protection of the state.

By fighting economic sabotage and organised crime, our infrastructure will be more secure and businesses will be able to operate more freely.

Through a strengthened and expanded social protection system, fewer people will live in poverty and fewer households will experience hunger.

We must do all of these things, not only to overcome our immediate challenges, but to renew the promise of South Africa. It is a promise that we have kept alive in our hearts and in our actions.

This year, it will be 10 years since we bid farewell to Nelson Mandela, the father of our democracy, our beloved Madiba. It will also be 105 years since his birth.

As we honour his great life and his memory, let us draw inspiration from the words he spoke at his inauguration in 1994, when he said:

“Out of the experience of an extraordinary human disaster that lasted too long, must be born a society of which all humanity will be proud.”

Our daily deeds as ordinary South Africans must produce an actual South African reality that will reinforce humanity’s belief in justice, strengthen its confidence in the nobility of the human soul and sustain all our hopes for a glorious life for all.

To build such a society, to overcome the great difficulties of the moment, we need to work together. And we need to work together and leave no one behind. We need to stay the course.

We need, as a nation at this time more than at any other, to reveal our true character. We need to work together and leave no one behind.

I’ve often asked myself as President, why am I doing this job. I’ve often asked myself that. There’s that voice inside of me that always says ... I want you to listen because you have your own voices. This voice always says, follow in the footsteps of Nelson Mandela because he made great sacrifices. He didn’t have to do what he did for this country, but he made great sacrifices. And that voice always says, contribute the little that you can to make this country great. And that is precisely what I am doing. Despite all the challenges that we face, I would call on all of us to make the contribution that we can to serve the people of South Africa as much as we possibly can. I thank you and I wish everyone good night.

9. The Chairperson of the National Council of Provinces adjourned the Joint Sitting at 21:37.

X C GEORGE
Secretary to Parliament