

# GovComms

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A newsletter for government and public sector communicators



## Government's Programme of Action well on track



**S**ignificant progress is being made in the implementation of government's Programme of Action (PoA) in the first year of the Medium Term Strategic Framework (MTSF).

Recently, President Jacob Zuma provided the country with an update of the work done by government in implementing the first year of the MTSF 2014-2019, as outlined in the SoNA in February 2015.

The MTSF is based on the National Development Plan (NDP), the country's socio-economic blueprint to tackle the triple challenge of poverty, unemployment and inequality by 2030.



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REPUBLIC OF SOUTH AFRICA

# Nine-Point Plan

## Update on the Nine-Point Plan

In his SoNA, President Zuma announced the Nine-Point Plan to boost economic growth and create much-needed jobs. The plan serves as a response to the challenge of limited growth in the South African economy. In addition to the projected growth of 2% in 2015, the Nine-Point Plan could potentially accelerate the growth of the economy by 0,8% in the short-term and 1% in the medium to long-term.

The components of the plan include:

**1** Resolving the energy challenge.



**2** Revitalising agriculture and the agro-processing value chain.



**3** Advancing beneficiation or adding value to the mineral wealth.

**5** Encouraging private sector investment.



**4** More effective implementation of a higher impact Industrial Policy Action Plan.



**8** State reform and boosting the role of state-owned companies, information and communications technology infrastructure or broadband roll-out, water, sanitation and transport infrastructure.



**7** Unlocking the potential of small, medium and micro enterprises (SMMEs), cooperatives, township and rural enterprises.

**6** Moderating workplace conflict.



**9** Operation Phakisa, which is aimed at growing the ocean economy and other sectors.





### Investment and job creation

Government support helped the automotive sector to produce over 566 000 units in 2014, whereas 356 800 units were produced in 2000.

This support has improved auto exports from 11 000 units in 1995 to over 270 000 units in 2014. As a result, 300 000 jobs have been created in the automotive sector.

Significant investments have also been made in key manufacturing sectors such as the auto sector, agro-processing and electronics.

These include R5 billion by Mercedes-Benz, R3 billion by Ford, R4 billion by Unilever in four plants over the past years and R228 million by Samsung.

In 2014, auto exports amounted to R115 billion, which is 12,7% of total exports in the country.

Government's intervention aimed at stopping the decline in the clothing, textiles, leather and footwear sectors resulted in the retention of 68 000 jobs.

By the end of March 2015, a total of R3,7 billion had been approved to support the private sector since the inception of the Clothing and Textile Competitive Programme in 2010.

Since 2009, government has – through the Department of Trade and Industry (the dti) – supported agro-processing industries to the value of R1,2 billion through various schemes.

### Industrial development

To further scale up industrial development in the country, government has, among other interventions, introduced the Black Industrialist Programme, which is designed to transform the manufacturing sector and unlock the potential of black entrepreneurs.

Initial funding of R1 billion has been secured from the dti for the 2015/16 financial year and R23 billion from the Industrial Development Corporation for the next three financial years.



### Infrastructure

Government and public agencies invested more than R1 trillion in infrastructure between 2009 and 2014.

The investments were in energy, road, rail, ports, public transport, bulk water and sanitation, hospitals, basic and higher education infrastructure and innovative projects such as the Square Kilometre Array and Meerkat telescopes.

**Broadband roll-out**

By August 2015, some 41 351 km of fibre optic cables had been rolled out to provide broadband capability for the economy.

**Broadcasting Digital Migration**

In March 2015, Cabinet approved the final amendments to the Broadcasting Digital Migration Policy, which unlocked the project to enable implementation. Cabinet further approved that government provide free set-top boxes to five million poor TV-owning households.

Although the country did not meet the 17 June 2015 analogue switch-off date as set by the International Telecommunications Union, much work went into the process leading to the imminent analogue switch off.

The Ministry of Communications has since concluded and signed bilateral engagements with neighbouring countries – Botswana, Lesotho, Mozambique, Namibia and Swaziland – to minimise cross-border radio frequency spectrum interference.



**Energy**

Substantial progress has been made in resolving energy challenges in South Africa since the inception of the Five-Point Energy Plan in December 2014.

Operations and maintenance practices at Eskom continue to improve to ensure that power plants are appropriately maintained and provide electricity within their capacity.

Eskom has signed Short-Term Power Purchase agreements to secure additional electricity to cater for the shortfall due to maintenance and to match demand during peak periods.

A further 800 megawatts (MW) will be added to the grid through cogeneration.

Energy efficiency programmes have resulted in savings of 450 MW and a reduction in emissions.

Various projects of the Renewable Energy Independent Power Producer Programme currently supply 1 800 MW to the grid.

Within the next two and a half years, 92 projects of the

renewable energy programme will bring a total of 6 327 MW to the grid.

The exploration of various other options for electricity generation is underway, including cross-border projects within the Southern African Development Community (SADC) region that include hydro, gas and coal.

For medium- to long-term electricity supply, the nuclear build programme is at an advanced stage of planning and procurement should be concluded within the 2015/16 financial year.

The updated Gas Utilisation Master Plan, which will stimulate development and investment in the gas industry, will be published.

Government will continue to pursue work towards a reliable energy mix to ensure energy security for now and the future.





### Economy

The South African economy, as with many economies in the world, continues to struggle to fully regain its pre-financial crisis growth momentum.

South Africa had committed to a 5% growth rate by 2019, but the 1,5% economic growth rate attained in 2014 is a distance from the NDP's goal.

However, despite slow growth globally, economic growth is expected to increase steadily to at least 3% over the next three years, because constraints on electricity, which is a major obstacle, are expected to ease.

### Investment support

On 7 August 2015, the Presidential Business Working Group meeting discussed, among other things, the need to improve regulatory efficiency and turnaround times to support investments. Therefore, the roll-out of the Special Economic Zones programme will continue.

The establishment of an investment facilitation centre or one-stop shop is being implemented to support local and international investments. A pilot has been set up at the dti.

The centre will improve the investment climate and enhance the ease of doing business by identifying bottlenecks, removing administrative barriers, reducing regulatory inefficiencies, setting up norms and standards, improving turnaround times, coordinating and fast-tracking all investment enquiries.

### New visa regulations

Following complaints about the new visa regulations, government has established the Inter-Ministerial Committee (IMC) on Immigration Regulations.

The IMC will address the unintended effects of the new immigration regulations on various sectors, including tourism and investment.

The IMC is chaired by Deputy President Cyril Ramaphosa and comprises the Ministers of Tourism, Home Affairs, Trade and Industry, Social Development and Small Business Development.





**Small business development**

Priority interventions to unlock the potential of SMMEs, cooperatives, and township and rural enterprises are continuing. They include working towards the implementation of the 30% set-aside policy to support SMMEs and cooperatives.

The SMMEs will be supported with increased access to markets and finance. Red tape for SMMEs will be reduced, including a review of existing small business legislation.

A special unit has been established in the Department of Planning, Monitoring and Evaluation to investigate cases of late or non-payment of suppliers, despite the submission of a legitimate invoice within 30 days.

**Labour relations**

Deputy President Ramaphosa leads the interface between business and labour to normalise labour relations.

Consensus on a working definition of a National Minimum Wage has been reached at the National Economic Development and Labour Council.

Other mechanisms to reduce workplace conflict include an agreement to develop a Code of Conduct for strikes, lockouts and compulsory arbitration by the Commission for Conciliation, Mediation and Arbitration.

**Agriculture**

Much progress has been made in the development of Agri-Parks, with 43 of the 44 sites having been identified. One Agri-Park will be launched in North West.

Government continues to implement other key initiatives of the Agricultural Policy Action Plan to support growth and employment in agriculture and agro-processing.

The plan includes increasing support for existing small-holder farmers and exploring ways to substantially expand the number of agricultural producers.



## Water and Sanitation

Government has identified water as a critical resource for economic development and work continues to implement the Five-Point Plan for water and sanitation.

The plan entails:

- Maintaining and upgrading existing water and sanitation infrastructure.
- Building new dams and developing ground water.
- Improving water quality.
- Developing smart technologies for water and sanitation information management.
- Ensuring an enhanced and integrated regulatory regime such as water-use licensing.

A review of both the Water Services Act, 1997 (Act 108 of 1997) and the National Water Act, 1998 (Act 36 of 1998) will be undertaken.

Government is intervening to stop water leaks which cost the country R7 billion a year.

Government's programme, through the Department of Water and Sanitation, to train 15 000 artisans and plumbers to fix leaking taps in their communities, was officially launched in Port Elizabeth, Eastern Cape, in August. The first intake of 3 000 is being recruited in the 2015/16 financial year.



## Basic education

The 2014 Annual National Assessments results indicated that Grade 3 targets in both literacy and numeracy had been exceeded, including Grade 6 Home Language.

However, performance in Grade 6 and 9 Maths and First Additional Language is still below par.

The implementation of the Maths, Science and Technology Strategy will be strengthened in all schools. Government will also ensure improved teacher supply, training and development.

The improvement of the qualifications of Grade R practitioners is also ongoing as part of the long-term investments in quality education.

## Health

The United Nations AIDS Programme has praised South Africa for its successful response to HIV and AIDS.

The achievements include expanded access to antiretroviral (ARV) treatment for people living with HIV and AIDS. To date 3,1 million people are receiving ARV treatment, exceeding the 2014/15 target of three million.

Screening for tuberculosis has been expanded and is reaching 15,2 million people, exceeding the target of six million.

Struggle against HIV and AIDS continues, including the fight against the stigma attached to the disease so that those living with the virus can live productive lives.





**National Youth Policy (NYP)**

Cabinet adopted the NYP in May 2015. The Presidential Youth Working Group (PYWG) has been established, comprising youth formations and government led by the Deputy Minister of Planning, Monitoring and Evaluation in The Presidency, Buti Manamela. The PYWG helps to coordinate the implementation of the NYP.

The programmes being implemented include:

- Training and mentoring youth entrepreneurs and co-operatives.
- Reforming and reviewing the National Student Financial Aid Scheme.
- Increasing enrolments in universities and vocational training colleges.
- Implementing youth employment programmes such as the installation of solar water geysers and set-top boxes.
- Implementing public employment programmes and fostering values for the formation of an ideal citizen.



**Mining**

Mining is a critical component of the South African economy. Government is concerned that the threat of job losses in the mining and steel sectors would have a negative impact on many families, communities and the economy.

To address current job losses in the mining sector, the former Minister of Mineral Resources, Ngoako Ramatlhodi, convened a meeting of business and labour stakeholders in the mining sector in August.

The meeting identified a number of areas to save jobs



and to find alternatives to job losses. A task team was established and mandated to develop detailed proposals.

Also in August, the Presidential Business Working Group mandated government and the Chamber of Mines to seek an amicable solution outside of the courts, in line with the notion of “once empowered, always empowered” in the Mining Charter.

The Mineral and Petroleum Resources Development Amend-

ment Bill was referred back to Parliament to address, among others, consultation at the National Council of Provinces, which was considered to have been inadequate.

The Department of Mineral Resources continues to issue orders to companies that do not comply with the law. The suspension of the licence of Optimum Coal has been lifted and the company directed to address issues related to non-compliance.



### **Operation Phakisa**

Government launched the fast results delivery methodology, Operation Phakisa, in the health and ocean economy sectors in 2014.

A Mining Phakisa, aimed at minerals beneficiation, will be launched by the end of 2015.



**Local government support**

Government has been supporting municipalities in various areas to implement the Back to Basics programme, which was launched in September 2014 to revitalise local government. Government entities and the private sector have been urged to pay their debts to enable municipalities to function effectively. To date, debt owed to municipalities is close to R100 billion, which is almost double the amount since 2009.

**Safety and Security**

Various units of the South African Police Service, including crime intelligence, the tactical response team, visible policing, the Hawks, together with Business Against Crime, cellphone shops, the South African Banking Risk Information Centre and private security companies, have been successful in dealing effectively with shopping mall robberies.

Police have found that the majority of shopping malls were being targeted primarily to rob cellphone shops. Cellphones and other electronic equipment that were stolen were taken out of South Africa. Several suspects, including so-called kingpins, have been arrested. Following the kill-



# SAFE AND SECURE

ing of more than 55 members of the police since January this year, Police Minister Nathi Nhleko has been requested to re-examine the police's safety strategy to enable police to respond effectively when attacked.

An attack on police officers is an attack on both the authority of the state and on the nation.

South Africans have been urged to play an active role in curbing the attacks by identifying those people who kill police officers as they live within their communities. People should also continue to provide information to the police about all who are involved in criminal activities in order to build safer communities.

The annual service commemorating all fallen police officers was held in September at the Union Buildings in Pretoria.

**55**  
officers



## Marikana tragedy

The implementation of the report on the tragic incidents in Marikana, North West, which led to the killing of more than 44 people, is receiving top priority.

The response of the National Police Commissioner, General Riah Phiyega, to the recommendations of the Farlam Commission about her fitness to hold office, is receiving attention.

Discussions are ongoing with the Ministers whose portfolios are affected by the Marikana report, such as Police, Labour, Mineral Resources, and Justice and Correctional Services.

Feedback will be provided to the nation in due course on progress being made in the implementation of the recommendations. All interventions are aimed at ensuring that such an incident never occurs again in South Africa.

**FEEDBACK**



**Attacks on foreign nationals**

Following the attacks on foreign nationals in April this year, the IMC on Migration aims to do everything possible to prevent a recurrence of the attacks.

Measures being undertaken include legislative and regulatory reform, improved policing through Operation Fiela-Reclaim, and promoting peaceful co-existence and togetherness between citizens and nationals of other countries.

The IMC on Migration will meet with organisations representing foreign and African nationals to take forward the discussions President Zuma had with them in April 2015.

**A better Africa**

Faster growth on the African continent provides an opportunity for broader product and services markets. Growth in the sub-Saharan region is expected to reach 4,5% in 2015.

In this regard, the SADC is focusing intensively on finalising the industrial policy for the region.

South Africa will continue to work within the African Union and SADC to participate in the establishment of the continental free trade areas and to boost the industrialisation strategies of Africa.

