

The **BD** Dialogues

Peter Bruce: Thank you very much for trusting Business Day with your time and your reputations, it is much appreciated. Nomvula Mokonyane on my right is the Premier of Gauteng, Professor Mike Muller is a visiting professor at the Wits School of Public and Development Management – that’s just one of many things he’s done, he was at one stage a former Director-General of Water Affairs, he’s a Fellow of the SA Institute of Civil Engineers and many others. Brutus Malada has a Masters Degree in Education from the University of Johannesburg (UJ), he’s a senior researcher at the Forum for Public Dialogue responsible for Social Affairs, he’s been seconded before to the office of the Deputy Minister for Cooperative Government and he’s a co-author in a chapter in a forthcoming book on governance, and he writes for the Sunday Independent, the Daily Dispatch and occasionally the Sowetan. Mandla Nkomfe is the MEC for Finance in Gauteng – he is from Emdeni in Soweto, he’s on the political and education training sub-committee of the National Executive Committee of the ANC, he’s been a member of the Gauteng legislature since 1999. On my left is Jack van der Merwe chief executive of the Gautrain Management Agency which manages the Gautrain contract on behalf of the government. Next to him is Eusebius McKaiser who is one of our upcoming very clever public intellectuals in South Africa – he has invented an interview on Twitter which, if you are willing to take your life in your hands I dare you to try – but it’s very entertaining for the rest of us when he does them. He has studied law and philosophy at Rhodes and Oxford University and he writes a weekly column for the New York Times. Qedani Mahlangu is the MEC for Economic Development in Gauteng – she was also previously Health and Social Development MEC. She studied at the London School of Economics and at Williams College in the USA. Next to her is Professor Graeme Bloch who is also a visiting Fellow at the Wits University School of Public and Development Management – he is a very well known educationist and has a long history of political activism, is a director on the Lafarge Education Trust and sits on the board of Equal Education. We are going to talk a lot, but not exclusively, about infrastructure – we must have caught the bug during the 2010 World Cup when we could suddenly see ourselves really creating things, and they were big and obvious and brilliantly done. Mandla Nkomfe has a “Manuelesque” bent for poetry on budget day – he was asked “what happens to a dream deferred?” Apartheid did defer the dreams of generations of South Africans – but are we still deferring those dreams? We will try and find out a bit about that today – to quote another one of

the poems he's used we will try to face what Ben Okri called "our deepest and darkest truths".

We start with Nomvula Mokonyane – I'd prefer to let the conversation flow rather than have a series of statements, the shorter and sharper the more readable it will become. I've been reading the Premier's recent State of the Province speech, and Mandla Nkomfe's budget speech – they're both moving and very ambitious, full of promise and passion – things are going to get better, more transparent, more efficient yet the daily reality of Gauteng is different. It's hard here – the hospitals have had to be bailed out, the lights on the highways don't work. We talk about integrating the province and yet we've built a multi-billion rand train from one rich part of the province to another rich part of the province, local government is weak, education is weak, and where you do get services the cost is huge and rising. Nomvula, what makes you so confident that you can fix the province and make it truly the powerhouse we all want it to be?

Nomvula Mokonyane: Peter, thanks for this opportunity. We are quite confident that we have got our ducks in a row precisely because we've been able to assess how government functions, and how government delivers. Amongst other things that we've done we looked at how various departments in the province are organised, we also looked at how our various agencies are being established. We also looked at how we allocate resources in the province. We identified amongst other things that for us to thrive as a province, and our position as South Africa's economic hub, we also have to invest in economic infrastructure. Over the years spending from the Gauteng Provincial Government and from Government generally has been on social development. We have made a commitment that out of the R73.5billion budget that we have a lot of investment is going to be focusing on economic infrastructure such as the aerotropolis, and the development of the Sedibeng Sewer Network to the tune of R5billion. That's not just for the people of Sedibeng – that is infrastructure that is required to release the potential in terms of future property development in Gauteng. We also looked at the issues around logistics and freight sites in the province in line with the development of the aerotropolis as well as the Presidential Infrastructure Plan. We have three freight and logistics hubs – they are not just promises, but things that are already on the ground in terms of implementation together with the private sector. Already some elements of the aerotropolis are being implemented – such as the jewellery precinct – other things we have done that are quite exciting is what's been done with the motor manufacturing industry in the City of Tshwane together with Ford, Nissan and BMW. Also, the fact that during a very difficult period we've been able to make interventions in terms of protecting jobs of workers who might have been laid off during

the recession. We are now putting up additional resources around the auto manufacturing industry in the Rosslyn area to bring emerging participants into the motor manufacturing and motor maintenance sector from youth-owned enterprises, as well as the development of youth enterprise hubs in six townships – there we have three sectors that are going to be focused on to give opportunities to youth in the townships in the area of textiles, hospitality, the services industries and motor servicing. Another important thing that Peter has raised is the healthcare situation – we acknowledge that there have been challenges, and on that basis that the Gauteng Provincial Government had to agree that we need a turnaround strategy as to how we must manage health services in the province. Amongst other things that is to bring in effective management and leadership in the Department of Health, to ensure that we redirect resources making sure it is directed to where it's needed most in the front line areas. Thirdly, we need to strengthen primary health care – as we speak now more than 21 million visits are made to clinics in our province. Gauteng is the only province that has four central hospitals that do not just provide services to residents of Gauteng – which is a reflection of the movement of people, and rapid urbanisation. Our education system is also affected by that, our housing system is affected by that. This past Wednesday we were at Chris Hani Baragwanath with the MEC and there were four buses from North West Province, buses from Mpumalanga and from the Free State. They were at Chris Hani Baragwanath for services that cannot be provided by those provinces.

Nomvula Mokonyane: These people are not paying – these are people who are dependent on public resources. We are providing that service – those four institutions are providing capacity for the country, yet they are funded by the Gauteng provincial budget. We have looked at transport in the province – the Gautrain is part of the 2010 World Cup legacy. For a smart and competitive city region Gautrain is a very important intervention, in terms of promoting business and economic development. We identified a critical area – transporting people between Tshwane and Johannesburg, as well as OR Tambo Airport – and Gautrain has yielded good results with business tourism that has actually flourished in our province. We haven't only looked at the Gautrain being the first province to roll out the Bus Rapid Transit System (BRT). We are working with Metrorail on the revitalisation of passenger rail transport. We introduced the Rea Vaya Bus Rapid Transit System that the City of Tshwane will be ready to roll out by 2013, and the city of Ekurhuleni will actually be running concurrently with the City of Tshwane although Tshwane is already at an advanced stage. As a province we are subsidising the bus transport system to the tune of R1.6bn and we are quite concerned about that investment because it is an investment that is not spreading to all the areas where there is a need. On that basis we are engaging with

national government as to where these subsidised buses can go – so we can realise our plan of having an integrated intermodal, safe and secure public transport system.

For our schools and the education system Gauteng this year has seen 1700 learners provided with bursaries to further their studies at institutions of higher learning with 1200 being learners from township schools and informal settlements. Also important is outside the normal government programme we have put together senior secondary improvement programmes – extra lessons, additional training that we are providing outside of the normal capacity-building provided by national government – to assist educators and make sure they do make a difference. Our interventions are not just around matric examinations – in Gauteng we are investing in the construction of 132 additional schools by 2014, and we are also providing additional classrooms as we speak for Grade R learners. Our intervention is focusing on Grade R, on Grade 3, Grade 6 and Grade 9 and then Grade 12 becomes a given. These are some of the things that we are investing in.

Peter Bruce: You said at the beginning when you began to speak that you had looked at what was wrong in the province – what did you find that was wrong to which infrastructure is the answer?

Nomvula Mokonyane: Government was not investing a lot in economic infrastructure. From the World Cup we learnt that investment in economic infrastructure is key – such as the expansion of existing highways. The Gauteng Freeway Improvement Scheme has yielded good results. What we have also come to realise is a lot of infrastructure that was developed over the World Cup period that we have not tapped where MEC Qedani Mahlangu has been given the responsibility of working with the National Department of Communication to develop what we call a “smart city” around Nasrec – if you recall that was the communications centre for the World Cup – we are tapping into that asset to develop a smart city not just for South Africa but for Africa where we are competing with Kenya in that regard. The other thing is private investment in infrastructure – because government alone cannot do it. We have a case in point – look at the development of human settlements where once people were talking about Cosmo City and its challenges. Cosmo City is now a jewel, a good experience, and we now have Lufhereng in the south, in Soweto, and we are now working on additional settlements such as Lady Selborne in Tshwane to integrate and build non-racial communities. Part of redress is the intention to build non-racial habitable human settlements like Chief Mogale in the West Rand. The interesting part about that particular project is we are not taking people from black townships to Krugersdorp – in fact we have people from Krugersdorp who are

now residing right in Kagiso in an integrated human settlement and they are all living as one community where Mr Van der Merwe is now a neighbour to Mr Mkhize and they go to an African Pentecostal church and do everything together. These are some of the things we are doing. One of our major challenges is the ability to communicate and showcase our successes – but we are working on that and we have a very interesting intervention that we will be launching in due course.

Peter Bruce: Mike Muller, you're an infrastructure specialist - does infrastructure of its own solve problems?

Mike Muller: I'm sometimes worried as an engineer because I quite often say we must be careful about not putting in too much infrastructure – or putting the wrong infrastructure in place – and we also need to recognise that infrastructure has its costs and those costs need to be paid. There's also the cost of maintenance. Infrastructure is absolutely vital – it's the life and arteries of the economy and society – but if we don't look after it and if we make it a bit obese then it can actually become a burden on us rather than a help. For me the challenge is always have we got the right infrastructure, have we funded it right and are we looking after it so that it continues to help and doesn't become a burden?

Peter Bruce: Listening to the Premier do you feel they are on the right track?

Mike Muller: A very small, cheap example – but very important – the white lines on the R21 to the airport have disappeared for the past five years. That actually has real economic costs – it has safety costs, it has congestion costs when there is an accident. It's not being done. We are building new roads but we are not maintaining old roads – I miss the maintenance and I miss the commitment to keeping things going as opposed to just funding the investment. As an engineer but also as a public manager I'm worried about building the right infrastructure to the right standards, paying for it, and then being sure that we are able to keep it working to perform its functions.

Eusebius McKaiser: I really like your question to the Premier around what is the infrastructure allocated spend a response to? Does it solve things? Obviously on the one hand we all need infrastructure – just to live we need to access infrastructure. There is an obvious utilitarian benefit to spending money on infrastructure – but what I thought the Premier would say is in addition to that, which I totally agree with, is that the infrastructure spend is presumably part of our bigger socio-economic challenge of also creating opportunities for economic growth with hopefully a knock-on effect, with things like unemployment levels in the province going down. There I think we should ask some questions about whether the buzzword around infrastructure spend – both provincially and nationally –

really is the essential requirement for dealing with things like unemployment and poverty. That connection for me is one that we need to reflect on a little bit more. One thing for me that is for example missing in both the Budget speech and also the State of the Province address – and that's just one example amongst many other tools we can use to deal with unemployment – is an emphasis on, for example, entrepreneurship.

I liked what the Premier was saying around some of the youth schemes, for example, but I'm not sure how many of those in their content are top-down approaches to teach youngsters how to be good within the motor sector, within the service sector. I'd like us to broaden the discussion. If part of the answer is the infrastructure spend is not just because we lack adequate infrastructure – but because it has to go into a bigger conversation on unemployment and growth – then the question becomes is that a sufficient primary tool? What about other tools like stimulating entrepreneurship which wasn't really a centrepiece in the speeches?

Nomvula Mokonyane: Qedani Mahlangu will respond to that – but it was in my speech where I spoke about youth development.

Peter Bruce: Qedani, you're an academic, economist and politician – how do you link up infrastructure to not poverty relief so much but human growth? How does that work? What is the link?

Qedani Mahlangu: The Premier has made an important point that Mike was picking up on – if you build infrastructure and you provide maintenance resources, and the MEC can attest to the fact that there is budget set aside for maintenance – you are creating jobs both with new infrastructure and in maintenance. An important point is that we focus on entrepreneur development – that is why in our budget speech we said we are going to look for 100000 entrepreneurs. We now have 140000 young people in our database. As we speak today I can say with authority that out of the 20000 who have submitted actual forms about 5000 want to do manufacturing, about 3000 want to be in the ICT space. That's why the Gauteng Smart City at Nasrec – which is going to be what Silicon Valley is in the US, what the Smart City is in Dubai and what the Smart City is in Israel – that is where we are going to have new start-up companies emerging. That will also bring up a lot of opportunities in the ICT sector. As we speak now Oracle, Microsoft and IBM – many of the things they consume and use in South Africa are imported.

Qedani Mahlangu: With Nasrec Smart City here – as the Premier was saying we are going to unveil that in the coming months – when the big players manufacture things here we are creating jobs not only for the local market, but some of the bigger players are saying they will guarantee exports, that what is manufactured here will go to the export market and into the rest

of the continent. What we are also doing for entrepreneurs in particular – you know about the Youth and Graduate Entrepreneurship (Y-Age) programme – having analysed all the numbers those that are looking for jobs are directed to the placement programme that starts at the beginning of the financial year in April. Those are young people who are matriculants whom for one reason or another want to work for someone. Those who want to work for themselves – they're sitting in employment or at university, they have ideas but they're not keen to get out because they're unsure – that's what we are doing to help. The Premier also mentioned in her speech we've signed a memorandum of understanding with the Consumer Goods Council, and that includes Walmart. We've expressed our view in October last year around the Walmart deal – what excites us with that deal is the R100m in enterprise development funding that is there. We can say all the things about competition and policy – our view is that we've got to be clear as a country what we are allowing foreign companies to enter into, and in what context. The Walmart deal offers young people an opportunity to place their goods and products. That's all members of the Consumer Good Council whether that be Walmart, Checkers or Pick n Pay and that excites us. Also, in the textile industry we are working with the fashion industry as well – as these young South Africans design things where do they take them? That's where the entrepreneurship comes in – because it's all well and good to have the fashion industry, to have young people producing – but if they don't have access to the market it's null and void. That is why we are focusing on these young entrepreneurs. There is a mentorship element in it and we are very excited.

Peter Bruce: In a way you're saying government is acting almost like a venture capitalist – does that work? You've gone and built this amazing train to Pretoria – but there are no taxis in Pretoria on the other side. To what extent is government really able to make these things happen on its own?

Jack van der Merwe: If you decide to spend on infrastructure that is step number one. Step number two is how you do it – you have to decide on your contract form must it be a normal bill of quantities contract, or a PPP type contract? I think a lot of planning has to go into it. One thing is the life cycle costing – that if you build something you have to build in maintenance for its life. I think in the case of Gautrain what we did correctly is we said a PPP has three legs – technical, financial and legal – but we included a fourth leg that we call socioeconomic development. This was developed from the grass roots up – we made it a requirement in the contract to deliver on socioeconomic development aims. We spent R5.3billion on subcontracting the work to BEEs. We then said if you create a new BEE company the contractor will get points for that – we spent R2.6billion on that. We spent 1.3billion on SMMEs. We have about 240 small companies that benefited and we created

100000 jobs. That can only be done if you plan it properly – you have to plan it from the beginning, and build it into your contract documents. Then you can do it. There we were a catalyst...

Peter Bruce: Were you able to track the development or the life of these companies? Are they still there?

Jack van der Merwe: We appointed an independent socio-economic monitor – so there is an independent audit company so these are actual numbers, that it wasn't fronting. In terms of infrastructure if you start investing you have to create a career path for technical people. The question could be asked having created 100000 jobs what has happened to the 100000 people that worked on the train? Remember when we did the train the government had the Asgisa project where we would roll out infrastructure and keep on rolling out. We set up an office in London and brought back 51 South African engineers that were working in London – they were working overseas – but the only way you can bring them back is to do two things one being to create a challenge, and create a career path so they know they will work on this job and then on the next job. There has to be constant investment in infrastructure – otherwise it can't work – so there are a few requirements to make this work.

Nomvula Mokonyane: That's why we have a good case on the Gauteng to eThekweni rail corridor – initially the idea was around passenger rail, but now with the assessment of its impact on the movement of goods from Durban harbour to Gauteng it's now been agreed that it would also be transporting goods. Jack van der Merwe is our person for life with his accumulated experience – that team is going to work with national government in preparing the implementation of that particular project.

Mandla Nkomfe: On infrastructure up until 2014 we are putting up more than R30bn and for this financial year which is 2012/2013 we are putting up R10bn. It's interesting what Mike is saying because there are three legs to that in terms of infrastructure – one is maintenance, where you are quite right in terms of what you see on the R21. If you don't maintain it is very costly in the long run. There is quite a lot of money being put in on upgrading – as well as new infrastructure – so those are the three legs. One issue is the logic behind the infrastructure – one is around socioeconomic development and employment creation, as well as entrepreneurship. A very important question we are asking is how many companies are still very strong from building Gautrain? That can be subjective just looking at ourselves as Gautengers and as South Africans – but there is another compelling reason why we need modern infrastructure in a province like Gauteng. Firstly, Gauteng's contribution to GDP is very big. Remember, we would want to conceive of ourselves as a gateway to the continent of Africa – but you can't do that with slack infrastructure. There is the issue of trade – there is a reason why we are in the Brazil, Russia, India and China (Brics)

portfolio and why it's important we are a beachhead to the continent. We have to sort out these things – a person from the Eastern Cape or Mpumalanga won't think about that, but we are at the vanguard of thinking for South Africa. I wanted to introduce that as another dimension in the case for infrastructure and not only socioeconomic considerations.

Peter Bruce: Your speeches, and I've read a couple, and the tone of the conversation here today is like listening to one half of Pravin Gordhan – where it seems you're saying “we do want the private sector involved in these things” – but there is another half that maybe one doesn't have that much control over, talking about the Minister of Public Enterprise who is not that interested in private sector involvement. He is quite open about it. How do you fit that in with national government? You're talking about potentially really big projects with private sector involvement and at a national level the man probably responsible for the biggest balance sheets available to any politician is saying he can do it all himself. How does that fit?

Nomvula P Mokonyane: One good thing about Gauteng is that we have an advantage because we've got immense experience – we've seen it all, we've done it – and precisely because of that we've also started to engage with national government on defining roles and responsibilities. Amongst other things is dealing with the regulatory environment and powers and functions, and who has the final say. We are dealing with all those things. Interestingly enough national government and various ministers have now agreed that there is a need to have a one-stop shop in Gauteng so we ease the cost of doing business with government. The Deputy President was here a few weeks ago and he also said that we can't wait for somebody at the national level to identify blockages – Gauteng must identify what the stumbling blocks are that prevent the private sector coming in, and we must put before them what needs to be done. I think there is that appreciation at the national level, and through the Presidential Infrastructure Co-ordinating Committee we are able to make our own case – and interestingly enough it's ourselves and the Western Cape that have been given this latitude to identify where the hitches are and how we believe things can be done differently. We have the experience of how to deal with the corridor between eThekweni and Gauteng, we have better experience of dealing with infrastructure having built more roads and stadia during the World Cup so we have the capacity, and there is our partnership with the Airports Company of South Africa (Acsa). In terms of rolling out infrastructure and maintenance we want to work with government – we don't want to be a competitor – but we believe that we can be the best vehicle to realise the national outcome.

Peter Bruce: To what extent do government fall over each others feet? If I'm not mistaken it was either the President or the Finance Minister when they gave their speeches in Parliament in February they were talking about the need to get rid of all these blockages – how many one-stop-shops are we going to have?

Brutus Malada: We are discussing this issue - it relates to planning, and you would be aware that there has been a court case on the issue relating to the spatial development frameworks. We are waiting for the national government to meet the deadline of June 2012.

Peter Bruce: To do what?

Brutus Malada: To actually provide a national framework on spatial planning and land use management. That case between the City of Johannesburg and the Gauteng provincial department just reflects on the challenge of synergy and seamlessness in planning that is currently lacking. Until we resolve spatial planning and land use the plans – which are very lofty, very ambitious and very good – might find themselves not being practically implemented on the deadlines that we are setting up because of the challenges that we have at national level in terms of the powers and functions. That debate needs to be resolved...

Peter Bruce: Does it have to be resolved in the courts? Isn't it a matter of the ANC sitting around – you and your colleague – saying this is what we are going to do?

Brutus Malada: Ideally it should – but the City of Johannesburg took the Provincial department to court. You've got the Intergovernmental Relations Act that provides for dispute resolution – they explored that mechanism but it did not work – so there is the challenge of a cooperative governance system that is not functioning effectively as ideally reflected in the Constitution. So you've got the province and the municipalities saying this is their terrain. If you are talking about road infrastructure or housing there is a study – a short study indicated that for you to plan to have a house it takes 18 months between the time that you decide "I'm going to build a house" and the time that you lay the first brick. You have to deal with the legislative bottlenecks that are there such as the National Environment Management Act (Nema) that requires there should be sustainability studies and so on. While we would accept the direction that the province is taking in terms of its goal of developing infrastructure we need to be mindful of the bottlenecks that are there as a result of the legislative framework – these problems arise on the bedrock of a cooperative governance system that is failing. I would also venture to say that the weakness in the corporate governance system have never been so glaring exposed than recently with the interventions in five provinces.

Qedani Mahlangu: The legislation in question is the Development Facilitation Act (DFA) which came in at a particular time just after 1994 therefore it's important to understand its status with regards what's happened. Also, there were probably one or two cases that led to the fracas with provincial government that happened to be responsible for that – where you have a ruling that a cemetery can be established where a municipality does not want a cemetery established – but fundamentally I do not think we are not in a position to deliver government services based on the DFA and its challenges. Based on where we are sitting most of the problems that the Premier spoke about – almost all of them have gone through the full round. Last year we spent a lot of time planning – where we are now with the Jewellery Manufacturing Precinct (JMP) at the airport is preparing a commercial case. We will be having a meeting with the investors we met overseas – by June if we are able to conclude the appointment of the consortium they will start construction. We've got the EIA already. The point the Premier is making is we are appealing to the Presidency that the one-stop-shop we are establishing in Gauteng – which is going is going to have the DTI, SARS and everybody including the municipality in the pilot – that will help guide South Africa on how to deliver what we are doing. The offices of the Gauteng Funding Agency are in Sandton. What are we trying to achieve? When a person arrives in South Africa – or a local business person wants to expand business – that the incentives that the President talks about in the State of the Nation address are translated into practice, and made into a guide book so you can talk about them in Financial Mail, and businesspeople have the information. We are going to consolidate all of that information...

Qedani Mahlangu: The tax environment in South Africa is often misinterpreted – there's a lot of opportunities that you can use in the current tax environment to support businesses including write-offs and contributions that you can get if you bring investment, including the fact that you can get projects approved by the DTI in advance. However, an important point is that we do seem to have many silos currently operating, and around the EIAs in particular. There is an investor who has been in South Africa for about six years wanting to invest R5bn and throughout the life cycle of this project – in November they said to him go and do the studies go and do the studies – so he did that and in February he submits but they say “we are not happy.” We had to sit in a teleconference with the DG to say “these issues were raised in November – why are they coming up again?” Those are the things we identified and we said “can we be part of this one-stop shop?” We can't talk about 60 days when indeed the land owner has decided “I don't want to farm – I want this land to be for something else...” These things are important for delivery – however the EIA I still say is one of our biggest stumbling blocks. We need to balance what our responsibility is from a

conservation point of view in relation to what we want to achieve as a nation. Our competitors are striking this balance – but they are much more agile in terms of making decisions than we are and that is something we've also identified.

Prof Graeme Bloch: I think educationally think this is the province that is really moving – what we are seeing is an MEC with her hands on the buttons, and I think that's what is making the difference – but I do want to say that I've never recovered from a young kid who pointed at me and said "why can you build us football stadiums but you can't build us schools?" I am pleased to see that we are building schools – but maybe in the minds of young people they are not interested in all these little differentiations of who is responsible for what. I want us to talk much more openly – even while we are talking about infrastructure, about things like billing. My lights went out last night and I can't get an electricity account from Johannesburg. Maybe I could if I was in Tshwane. I know it's not the province – but until the City of Johannesburg comes right I don't think the province is going to come right. I want to talk about tolling. I want to talk about SADTU - because we can build all the classrooms in the world but as long as we've got principals in Soweto who are beating their children, and aren't appearing in court when they are supposed to we've got problems. Then I also want to talk about universities and the FET colleges. Premier, I think you gave a great speech – but you weren't talking about how we tap into that. We are talking about Wits, we are talking about the University of Johannesburg (UJ), we are talking Pretoria. I'm not sure if I've left out a range of FET colleges as well – there's a lot of resources that we could be using to build things but they are not coming the party. They are not even being mentioned...

Brutus Malada: A point or two adding to the list that Graeme has provided – one other thing I think we should consider is that this year is 2012. The political context in which we find ourselves – or in which the provincial leadership finds itself – will also have implications. What happens in government I've observed is that towards elections things go slow because people are checking where they belong in terms of what is happening in the politics of the ruling party so challenges in the political arena have the possibility of impacting upon governance...

Peter Bruce: Give us an example of what you mean?

Brutus Malada: I know that you've got a bill that could not be passed or that could not go through the internal government processes simply because there has to be a conference in December...

Peter Bruce: Which bill is that?

Brutus Malada: The Monitoring and Intervention Bill for instance – which is a national responsibility – but the bill has not been

taken through the processes simply because there are challenges, political challenges that have to be calculated. I am saying that the environment of 2012 has the potential to impact on service delivery and on the delivery of the infrastructure that we are talking about. We should be mindful of those implications as well.

Prof Mike Muller: Sticking to the problem we were talking about – which was actually about the mandate, and the powers and functions of the province – it's a tough job in the province stuck in the middle between national government that thinks it's responsible for everything, and of course in this province three metros that think they have all the money and they will tell you what to do. I look at the kind of challenges that Gauteng faces – look at transport for the moment where we don't have a metropolitan transport authority. I don't know what it would look like – it can't just be Johannesburg because most of the commuters travel across Joburg's boundaries, but it can't be into all of Gauteng because maybe that's a bit too big. It maybe needs to be something special. Until we have that transport authority we are not going to get the inter-modal work that you want done. Let's look at the ICT.

Prof Mike Muller: I want ask the Premier what are you actually proposing with the G-Link? What is it that you are going to be able to do with the private sector that doesn't need both the municipalities and the national department to help you along with? How on earth do you put that together? Look at the universities – higher education should be a huge growth industry, it should be an economic sector not just a social sector. We could be providing education for the whole of Africa in the way that Australia provides education for the whole of Asia – it's their second biggest export. Why aren't we doing that? Who is going to take responsibility between national and provincial and all the different local interests? I do think we need to have a serious discussion about how we construct our provinces and how we allow them flexibility to do the kind of things that they have identified, but which are actually quite institutionally complicated by our Constitution. It's a lovely book but it creates a lot of confusion in a few pages.

Peter Bruce: The Premier made the remark "we don't want to compete" but perhaps the provinces should compete with each other – perhaps if the provinces competed with each other the one that found the quickest way to get rid of stumbling blocks would get the investment – and teach the rest of us how to do it...

Nomvula Mokonyane: I said we are not positioning ourselves as a competitor against central government – but we will compete against other provinces. We would also encourage development in those various provinces for us to manage the issues of urban migration and so on. Secondly, we've looked at

the institutional arrangements and all that we are presenting in terms of the work that needs to be done – we've got an intergovernmental relations system that works very effectively in the province, where we sit bi-monthly with all our mayors. We have a planning commission that has picked up all the strategies that have been developed by the municipalities and we are now looking at our own long term vision 2055 and in it we have identified whether there are short to medium term interventions. The plan that we are talking about is not a Gauteng provincial government plan – it's a Gauteng government plan that's wall-to-wall. Thirdly, when we interact at central government level the presence of three metros in Gauteng has become an advantage – because even with regard to the mobilisation of resources we are able to complement one another as compared to us becoming competitors. We have learnt from the past and some of the challenges that we've had. We have the three metros sitting with us at the Presidential Infrastructure Co-ordinating Committee – so there are four structures of government at a very strategic position participating in determining how development and growth must take place in the country. One of the critical things that Gauteng has brought to national government as a discussion is that correctly so there has been a decision to have a Ministry of Rural Development – but with rapid urbanisation why can't you have an area or competency that focuses on urban development as a reality for our country? We are driving that as a province to showcase together with eThekweni in KwaZulu-Natal and Cape Town in the Western Cape. These are some of the things that we are dealing with. Mike, you are right to raise the issues around transport – we are putting together a transport authority and it has been agreed with all our municipalities that we need a province-wide norm and standard that deals with transport as compared to having different pockets. Work is being done and by July 2012 there will be the launch of a provincial transport authority. The strength that Gauteng has with three metros also says in as much as you may want to protect the constitution as a holy cow it can't be a holy cow. Almost 20 years post apartheid what is it that we definitely need to look at? We can't again have a one-size fits all in terms of relating to provinces – that is why Gauteng has Metro Police Divisions, and we are now engaging with national government on delegation of additional authority to the metros in dealing with these kinds of things...

Jack van der Merwe: There are so many questions. On the toll roads we have to gear in private sector money into infrastructure – we don't have enough money in the fiscus to do it. The toll road strategy and the Gauteng Free Improvement Scheme – it was approved and built. Through public consultation a lot has been achieved having cut the cost of travel from 65 cents down to 30 cents a kilometre capped at R550 that would be the maximum amount. I think the benefits that we are going to see is

this total life cycle approach – that you have a set of freeways that will be in the same condition for the next 20 years with the advantages of having connectivity and accessibility in the industry.

Jack van der Merwe: If one looks at the West Rand it died because it didn't have connectivity – you couldn't start a company on the West Rand because you didn't know how long it would be to go to the East Rand to deliver the products. The advantage of having access and connectivity is really great. There is a lot of talk about phase two and phase three – I think what we will do in future is we will build new toll roads. We won't fix existing roads because I think the public accept a new road much easier than what they accept an existing road that they have been travelling on for twenty years – and now all of a sudden they are charged. On higher education institutions from an engineering perspective they don't play a big enough role in infrastructure in our country – they don't play a big enough practical role. It's as if they are theoretical and sit on the hill there and don't make their hands dirty on what's happening in the industry. It's a pool of knowledge that we have that we should utilise better. The question about all of Gauteng being a transport authority - the Premier has spoken about it, and we are at present working on a 25 year integrated transport master plan. To look at transport you have to look at a functional transport area – and the metros aren't functional transport areas. We are looking at this province-wide transport authority.

Mandla Nkomfe: I think we need support from everybody else, like civil society. This notion that we've come up in Gauteng for the last eight years – positioning ourselves as a globally competitive city region, and that is Gauteng as a whole – means competing with other city regions throughout the world. That suggests a sense of common planning at different levels. The issue with the common transport authority – not just from the municipalities – is important for us. Where we connect with universities – as a starting point we are working with UJ and Wits, we are working with the University of Pretoria. An OECD study that will give you a lot of information is around the work that we are doing with the universities – but we need more than that. I know that MEC Qedani Mahlangu is moving beyond that into the FETs and the last time I went to Vaal University all these strategies around re-industrialisation there is a lot of good work that is happening at that level. The issue of a global city region for us is very important. SADTU is a worry to us – because you will know that the results not from last year but the year before last Soweto had the lowest pass rate – I think at that time it was about 18% or something like that. We had a whole range of people at the Soweto Summit as to what is happening. The results have not gone down – they've remained where they are – but again it's something that we have to confront directly. Unfortunately I don't think we are confronting it directly as

government. It's not only SADTU. Talking as a finance person the wage bill really undermines the possibilities of transformation in South Africa. Broadband, we are doing a lot of co-ordinating work with municipalities on that issue where we are going to be rolling out – because for us it's a public interest issue of the last mile, bridging the digital divide – so there is quite a lot of work around those issues. Between myself and the MEC for economic affairs we have met with the banks because there is a lot that they have that we can access. I think we are doing fairly on that.

Eusebius McKaiser: I'll be remiss as a political analyst not to bring in a political perspective on the facts and figures here. Cutting across all of these things there is the question of public participation – the one point I wanted to make before the end of this discussion is the increase of R45m to “deepening democracy”. I think that with the e-tolling system that was a textbook example of how to get participatory democracy wrong. I think Gauteng can really be exhibiting how to get it right for the rest of the country.

Eusebius McKaiser: The response to motorists telling them “here is a deal on subsidising the cost” is a material response – but what it misses is that part of the unhappiness on the part of the public is not being made partners in that dialogue, the way we are dialoguing here, from the beginning. That for me is something that is missing. R45 million is very little paragraph three or four from the bottom of the speech, which tells you how it was prioritised. Yet this is incredibly. When you talk about civil society and universities and reaching out this has to be on top of the list, and the facts and figures have to support that narrative rather than the other way around. That is something I think we can still do better in Gauteng and the whole country. I think we have a chance to demonstrate how to do that coming up with this conversation around the common vision for the province. What is the detailed plan? Is there a proper participatory system for getting dialogue around the country? That for me is missing. That's as important as the facts and figures.

Qedani Mahlangu: I think it is important for South Africans to want to contribute to good road infrastructure – the point that we must continue to make, and not be apologetic about it having taken the points raised about public participation – but it cannot be right that we build infrastructure in one form or another and people simply wanting to use that for free. The experience all over the world – I travel extensively, I've seen roads even in developed economies – the roads we have here are better than many roads even in the US and Germany. That's an important point to acknowledge and say if you've got quality roads what then do you do in the upkeep, and who is responsible to pay? People must really get off our high horses and say indeed we are prepared to pay. A point around skills – there is a master skills

plan that ourselves and education are working with to make sure that the skills environment, particularly in supporting the economy of Gauteng – that those skills are prioritised. What are those? Microsoft and others tell me that there are 450 vacancies in the ICT sector at any given point in time – that concerns us because there are a lot of unemployed young people. We are re-skilling, and part of what we are going to be doing at Nasrec is creating huge capacity for training. We are working with UJ and with Wits as well as with Pretoria University – and we are also going to present to the Minister of Science and Technology soon – because it’s important for us to focus on the critical skills. Again, around jewellery we have UJ and Pretoria University training young people on jewellery and design, and we are sending participants to Italy from September, India and other parts of the world. That’s part of our contribution to the skills environment – when the facilities are complete in terms of construction we must have young people ready. Foundry and tooling is an important component of the artisanry and making sure that this economy grows. We are also putting resources into that. With the point MEC Mandla Nkomfe is raising we’ve met with the FET colleges and higher education in Tshwane and we are working with them and we are analysing the FET environment in Gauteng partnering with Switzerland, Italy as well as India beefing up our FET colleges in Gauteng with a view to linking student with companies. Currently many of the FET students are not linked to companies. That’s the work we are doing – because if they are not linked to companies that’s why they finish school and do not have any work to do sitting at home unemployed. Lastly, the point about Gauteng being the gateway to Africa and many other good things we have spoken about since we started here - tourism is fundamental to that. There is a lot of credible work that we are doing with the private sector. The important thing that we need to underline is that we act as a facilitator and a catalyst crowding in the private sector. We are going to be supporting one province in Sudan with “Africa in One Day” as an example of delivering a PPP in that kind of scenario to help them have development around the Nile River – so we are not only benefiting here but we are going to benefit the rest of the continent. We are excited about the work that is coming onstream with Wits University. We are confident about the future of Gauteng.

END OF FIRST HOUR

SECOND HOUR

Peter Bruce: Nomvula Mokonyane talked about getting new powers from the government that reminded me of Spain where they designed their provincial setup that a province like Catalonia – which is wealthy and full of intelligent people – is able to do things that other provinces weren't able to. A province like Extremadura for instance has no powers because it doesn't want any and it has no competency. How would you view a multi-speed provincial setup? In other words you have more powers because you have more competency than say the Eastern Cape?

Nomvula Mokonyane: I think it's in the best interests of the country to create efficiencies for a province like ours – the issues that Qedani Mahlangu is dealing with around a one-stop shop is in the interest of the country. Secondly, there's the transport authority – where ordinarily each and every municipality would have its own transport authority – but for a province like ours it's better to have a province wide authority because of its dynamism. Secondly, there are the cost benefits of having this – imagine three big metros with different authorities, yet you can't see the difference between whether you are in Tshwane or Johannesburg as you move towards Midrand. It's not like the Northern Cape where you commute from one town and you can't see people – here you move from one area and immediately you're in another area without realising you have moved beyond a particular boundary.

Peter Bruce: Does it raise constitutional problems if you start getting powers as Gauteng?

Nomvula Mokonyane: It gives good meaning to the Constitution in terms of allowing the spirit of corporate governance to kick in to ensure that there are efficiencies. Just as we did with metro police – we were the first province to establish metro police departments. We launched this and then came Cape Town in the Western Cape and eThekweni. We had to establish three new Metro Police Departments and that on its own assists national government in terms of making sure that it deals with policy and monitors. With us we are able to make sure that we operationalise. Now as we deal with the issues around empowerment of municipalities with regard to housing there is also that realisation that there are other projects – in Gauteng have got 14 new cities that we want to develop over a period of eight years. Building Diepsloot East you can't say it's the City of Johannesburg or the City of Tshwane because that development straddles two municipalities. These are some of the functions that remain with the province whilst the municipalities will then deal with the subsidies and allocation of title deeds and the installation of bulk services.

Peter Bruce: Would you apply the same logic that you do to transport to the metro police? Is there any point in having three metro police forces?

Nomvula Mokonyane: There is a point to metro police because it's within a metro where we have an operations command centre that's convened at the provincial level. As we speak now I'm sure you are aware that there is a new piece of legislation that gives authority to provinces to set up what is the civilian secretariat that will oversee all activities that have to do with law enforcement agencies.

Prof Graeme Bloch: The metro police are perhaps a good example of what we are really talking about – because if you look at Corruption Watch the biggest number of complaints are about metro cops. Again, putting people in is only a start...

Nomvula Mokonyane: It's not about putting people in, it's also about having good systems. What has been a weakness and we've identified that is putting in systems of monitoring, compliance and accountability and making sure that where there has been corruption that's dealt with. The success of the work that has been done is that in many instances it's other members of the metro police who arrest their own colleagues – which I think is also something that we need to understand. That's something unfortunate but is not a reflection of the problem - because that corruption is also found in the South African Police Services.

Qedani Mahlangu: The point I was going to make just in supporting the Premier's point is if you look at London it's important in the UK – at the time when Tony Blair was the prime minister there was someone responsible for London in his office. The point is we would like to see the importance of Gauteng reflected at Union Buildings. The importance of Gauteng in South Africa as a whole needs to be looked at differently because we contribute about 34% to GDP. The second biggest contributor to GDP is 15%. So whatever we want to do there needs to be an appreciation at the highest office in the land to recognise Gauteng. If we look at China they have their special economic zone and today that province leads – so what we are saying is Gauteng in the broader scheme of things has to be looked at differently. If Gauteng does well South Africa will do extremely well – but if you do badly in Gauteng that will drag the rest of the country down. We are aware in our daily activities as the people elected here that we carry a huge burden on behalf of the country and that must be taken into account.

Eusebius McKaiser: I would agree with that analysis – but I think there are huge constitutional challenges that come with that. It's very unlikely that your colleagues in the ruling party would have appetite for singling out one province to be

designated that kind of special status from a constitutional point of view...

Nomvula Mokonyane: We are from the same party and these are the discussions that are taking place even within the party.

Eusebius McKaiser: The discussion that's happening here is exactly the discussion that the ANC wants on these policies – I agree with that – but the point I'm trying to make is that the challenge is that the rest of the country would put up resistance. It's interesting because one of the discussions that came out of the policy documents is precisely the status of the three-tier system and whether that's hampering or helping governance and service delivery. With cases like the one that Brutus mentioned – with a lot of the other provinces struggling – I'm not sure if giving more power to the provinces would be a good idea. On the other hand if you single out Gauteng I think you will run into both political and constitutional challenges...

Mike Muller: I raised the constitution – but we do forget that if local government and provincial government agree to do something they are free to do that voluntarily. We do have examples – I have a small bet with the electricity sector that the water sector will have voluntary regional utilities before the electricity sector, and I won that bet. You can have voluntary agreements if you frame them appropriately. A curved ball for the Premier – why is Johannesburg fighting with Gauteng over the Spatial Development Act? We all know DFA was a bit of a cobble up in 1994 – why haven't we been able to get collaboration on this critical piece of spatial planning administration? This really does show that the family sometimes does have its little fights amongst itself...

Nomvula Mokonyane: What I really want to raise on this matter is that we've learnt out of that experience. Qedani Mahlangu tried to speak on that – we could have avoided that situation. The process now is to try to make sure that there is an amicable solution. The posture has changed greatly. What we now see close to that court action is there's so much we are now doing together with the City of Johannesburg. There is no stalemate and things are happening – we are building Diepsloot East, we are opening William Nicol in the City of Johannesburg as the provincial government. We are putting in a single transport authority, a single tourism authority. It's not that this is being used as an excuse for non-delivery – things are happening while we are dealing with this particular matter.

Brutus Malada: It's good to hear that there has been progress – but what I was highlighting is that the legislative framework could become an impeding factor in terms of service delivery. The debate about the powers and functions has to be resolved in Mangaung which is why I raised the point about politics. But be that as it may we know that the allocation of powers and

functions – some have sought to describe it as an hour glass “thick at the top, slightly slim at the middle and broad at the bottom.” The issue that we are going to have with the allocation of powers is if Gauteng was to succeed in getting more powers I agree with Eusebius you are going to have a political challenge. The question I wanted to raise is if you’ve got a strong metropolitan we should also ask the question “What significant role do you want your provincial structure to do?” Does a powerful metro become a challenge for a province in terms of the powers and the ability of that metro to work? Gauteng has three metros and compared to other provinces it has very big metros. Tshwane is said to be the second largest metro in Africa...

Nomvula Mokonyane: Geographically.

Brutus Malada: What I’m saying is when you have powerful metros there will be contestation about whether we can survive on our own without the support of the province. Those issues are being raised in the discussion towards Mangaung...

Nomvula Mokonyane: We’ve not started these discussions on the realization there is a trip to Mangaung – Gauteng positioned itself as a globally competitive city region almost eight years ago. Secondly, we have taken a conscious decision that we want to have a single system of local government as a province. We are driving that process as we speak now. The important thing that we are trying to create is a situation where we have regional development nodes and sharing the opportunities of economic development and social development. The last thing that I also want to raise is that at the level of the ANC the discussions on the future of provinces has been put out – we are discussing that – and included in this is not only a discussion on the future of the provinces. I’ve said we have been given a responsibility with the Western Cape to identify those legislative limitations that inhibit the ability of provinces to function. We’ve identified the regulations, water licences and all those kinds of things, turning around the planning processes and approval processes for housing development and so forth. What Brutus is raising is known to us – but we have moved beyond the problems and we are now at an intervention level where we are resolving these matters. A concrete example is the transport authority – there was a national decision at some point around provincialisation of primary health care, we came back as Gauteng and said and said you can’t provincialise when you have strong municipalities that have the capacity to provide emergency services and primary health care. Rather develop common norms and standards across the province, and then assist the two districts that are not ready. Also, the metros are not homogeneous – the level of development and capacity is not at the same level so you have one metro that can excel, let’s assist another one in this – so even the whole notion of the three metros are a source of strength for the province, but in other instances we are also helping them. Ekurhuleni is one of those that we are now trying to bring up to speed

to be at the same level, Johannesburg is ahead. Tshwane has pressure now with the incorporation of the former North West areas – we are saying it must be a national responsibility to work with us to provide some transitional support to the City of Tshwane to deal with what it's inherited that has no revenue base.

Peter Bruce: Brutus, at the end of this process what could a three-tier system look like?

Brutus Malada: I will not be at Mangaung. There was a discussion that found itself in the papers – the discussion documents of the ANC – also about single tier of local government. In a province such as Gauteng you need metros. There are people who have argued about different kinds of models that you can create – I think we need a differentiated model of local government, and if that can be the outcome of Mangaung that would help.

Peter Bruce: By differentiated model you meanly exactly what?

Brutus Malada: The challenge that you have with the 270-something local municipalities is that they've got different capacities – the allocation of powers has to be differentiated on the basis of the capacity that a municipality has. You can't give the same powers that the City of Tshwane has to the municipality of Thulamela for instance. You need to look at the capacity of a municipality to perform certain functions – so you will have metros such as Tshwane or the City of Johannesburg having more powers, but maybe the kind of powers a city has will be allocated on the basis of what they are capable of delivering, and whether they've got the capacity to do so. So you have a differentiated model that can be differentiated even in the same province and in different provinces.

Peter Bruce: Aren't we over-intellectualising this? I come from Umtata where the capacity you need is to mow the grass. It's not the kind of capacity that you can devolve or give to somebody else...

Brutus Malada: You've got district municipalities that have been established in order to provide support to local municipalities that do not have the capacity. In areas such as the one that you are describing you need to build capacity at a district level to be able to provide that support.

Qedani Mahlangu: Provincial government with regards the municipal and national divisional function – the point the Premier was making if you look at the Constitution, and remember how the Constitution came about – we really need to get to a point of moving beyond what we have because now we have experience. I've been in Cabinet for eight years now I know for a fact that there are certain things that the provinces have done exceptionally well and there are certain things that national government has done extremely badly, and that the municipalities have done some things exceptionally well. What I think we need to do – and that's the argument we are advancing – is to say we are 20 years into the democracy, which functions can be better delivered by provincial and local government. That on its own will

definitely change the shape of what the provinces do – because as things stand now, which is the point we are making to the Presidency review – is that you have your agencies like Transnet and public enterprises and all of those with huge balance sheets, and the provincial entities that are not allowed to raise money based on their balance sheets and all of that – and on the other hand municipalities can raise funds. But if you want to intervene as provincial government on strategic economic infrastructure – you can't use your assets to borrow money or to build whatever infrastructure you want to do. On the other hand Transnet can do the same thing – and the municipality can also do the same thing going to the market and issuing municipal bonds...

Peter Bruce: Should the provinces be able to raise their own income tax?

Qedani Mahlangu: I do believe now that 20 years down the line we should review the whole thing...

Peter Bruce: In Spain the Basques raise their own income taxes – but other provinces who don't have the ability to do that don't...

Qedani Mahlangu: If we look at the US there's the federal government – but states like California are able to raise money on their own. In the US people vote with their feet – if taxes are higher in one state they can go to the next. That's not what we are arguing for – what we are arguing is that we should be in a position to allow provinces significant powers to be able to drive development, not even economic growth, to help the citizens...

Peter Bruce: There would have to be a sort of means test...

Qedani Mahlangu: Of course. What I'm getting to is that you've got to analyse the capacity of Gauteng, the capacity of KwaZulu-Natal, the Western Cape and say "you can deliver on home affairs but you can't deliver on X" and then on the basis of that allocate resources and functions. This thing of decreeing things and one size fits all can't go on. There is no other province like Gauteng in South Africa.

Peter Bruce: Jack, I wanted to ask you what an integrated transport plan for Gauteng looks like?

Jack van der Merwe: I'm an engineer and I like building stuff – but if one starts talking about changing the Constitution and changing the Acts it's a long process. You formulate what you want to do and you give it to the lawyers – three years later they are going to come and there's going to be arguments. My approach is really to say let's get a plan that can work that has the buy-in of the different spheres of government, let's look where the money. In the USA the Federal Highway Administration (FHA) has a block of money they give for roads – they do it the easy way saying to the states "you can go it on your own and do what you like – but if you want to get money from the FHA you have to stick to our rules and our standards..." In Gauteng the uniqueness is that we have three metropolitan cities that are wall-to-wall so they function as a single unit – so although you can say

politically there is a mayor, functionally they function as a transport unit and as an economic unit. What we've done in the infrastructure – and maybe if I can just say there is always a debate between engineers and planners, where planners say land use planning comes first then transportation. I think one day in heaven that will happen – but on earth transport planning drives the agenda. What happens is that government owns all the transport so government can have the intervention. From a land use perspective you have a land use plan – but the private sector must take that up to make it work. If one looks at the Gauteng economy development has happened along transport corridors – the whole development of Midrand, the whole development is around the different corridors. In 1970 when I worked on the PWV transportation study we developed a transport grid – that developed road transport. Now we have a focus on public transport – we are not moving cars, we are moving people so the whole approach changes in that. The MEC appointed a group of people to look at a 25-year integrated transport plan and then to look at the hierarchy of transport corridors – there must be a national corridor, a provincial corridor and a local corridor. The local authorities will feed into that corridor so we are busy looking at existing planning. It's a 25-year plan. The PWV study was a 50-year plan so we aren't so optimistic now with a 25-year plan. This is what we want the province to look like transport-wise in 25 years time. We've gone through a process – I've been to every mayoral committee in Gauteng talking to their technical people, saying we will develop jointly - and if I may say so if we walk in there with the Constitution saying “this is what I'm allowed to do” and “this is what I'm not allowed to do” I will spend three years just arguing about who's constitutional right it is for me to develop a transport corridor.

Jack van der Merwe: My approach is that if there is a transport corridor that runs from Soweto right through Simmonds Street up to the Johannesburg Library Gardens, then irrespective of whose competency it is that is then the priority to safeguard that – to plan it and get the standards. That is what we are hoping to achieve by the middle of next year..

Mike Muller: We are engineers – but when you talk about moving people what I'm worried about is next week when I go to London I'll get off the plane, go to the tube station and buy a travel card. I won't see a car for five days. I'll buy one ticket and travel anywhere in London by about six or seven different modes of transport. When I get back to Johannesburg I'll pick up my car. At what point can we start talking, not about integrating the physical infrastructure, but getting people including the people who are not owned by government which is the taxis who move huge numbers of people – when can we actually look towards getting a system where people can travel across the city in one system? Otherwise you catch the train to Pretoria and you get out if it like I did the other day and the Gautrain buses weren't working. Fortunately I was going down to Treasury so I could walk. If I was going to the Union Buildings I'd be lost – I wouldn't know how to get there. I could ask people down at the taxi rank – but I'm not going to do that because I've got my laptop. It does worry me because in 1994

RDP talked about spatial geography and the problems of spatial geography. There are certain documents being written at the moment – you can just cut and paste because it's the same story and we haven't actually managed to do anything about the spatial geography. We haven't improved the actual experience of people travelling across town. When can we actually make it easier for people to travel?

Jack van der Merwe: If we say we have a transport problem and our solution is public transport – we've said that we can't build ourselves out of congestion – so if we take the point that we are going to use public transport per se it's easy and nice. The modal transfer is where the problem starts. In the household survey for Gauteng the average public transport user changes modes 3.7 times a day – so there is a modal change there. In transport integration infrastructure is right at the end – if we look at Europe they created public transport authorities before they created transport authorities. The public transport authorities looked at common timetables, common ticketing – the things that make it work. If you go overseas the thing that works is that you get off a train and there is an information board that says this is the bus service, this is the taxi service. That is what we are starting to do – to look at modal integration. First, just from an operational perspective – then looking further from an infrastructure perspective. That's the idea – that we get that together. In the case of Gautrain depending on which group you're sitting in – some people like it, some people don't – but Gautrain is actually the catalyst to look at integrating the systems. We at Gautrain have four stations where there is Metrorail, where there are BRT buses driving into the station dropping off passengers. It's a beginning, it's a start. If public transport is seen as the mode of transport for the poor then I can tell you it won't work – public transport must be seen as the smart choice, not of the choice of the poor. If that's the case as our population gets richer they will want to emigrate out of public transport into private cars and we are stuck with a bigger problem.

Peter Bruce: Is there ever any chance ever of the Gautrain going to Soweto?

Jack van der Merwe: Yes, we actually built the Gautrain at Johannesburg station in a position so we can swing off to Soweto. But I don't think that's the argument – the argument is how do you use Soweto's Metrorail coming into the system? What Gautrain has done is we have an electronic based ticket – those business rules have been used by Johannesburg in their BRT, and Metrorail is at the moment looking at electronic ticketing for their system where they're going to use the same base – so that you can do it. We are busy with a miracle in Marlboro – we've gone to the taxis and we now have three taxis running the feeder system so they've been branded as Gautrain systems and they are collecting fares and running on a timetable. If that can work we can roll it out to the whole of the province. I think this is the thin edge of the wedge that we are trying to push into public transport to make it work.

Peter Bruce: Can we just talk a little bit about some of the infrastructure plans that you mentioned at the beginning? I'm interested in the aerotropolis because it seems to be such a fanciful idea that somehow because aeroplanes land there you can add the word "tropolis" to it and it becomes a hive of activity.

Qedani Mahlangu: The jewellery manufacturing precinct as the Premier was saying is something that's going to be done there.

Qedani Mahlangu: What we are going to be there is benefiting the gold, platinum and diamonds that are mined in South Africa and on the continent – jewellery is going to be made here to creating jobs before it's exported. Sars is guiding us about the best tax environment for investors, and the commercial case. There will also be banking, financial institutions and brokers. We are sending students now as construction is starting to go and learn and come back. Everyone I've spoken to all over the world says for skills you've got to talk to the Italians so they are going to Italy. At the lower end of the market that's India so we are talking to those active in the sector. Second to that the biggest project is logistics – we are talking to the big airlines like Emirates, Lufthansa and UPS. We are talking to FedEx about their location here and the massive transit of goods destined for the rest of the continent. We are working with Acsa – a study with Acsa is looking into the economics of the logistics and goods movement. Jack was making a point earlier about the West Rand – roses are being farmed on the West Rand that are destined for the London market, and Ekurhuleni is central to this plan where we want to make sure that the roses get to London at seven o'clock when the London market opens. That's very important – it's an important market. Rand Refinery processes gold from all over the continent into bullion – every flight that goes to Switzerland, to Antwerp, to the UK has those mineral resources. Currently we are not benefiting it here so it's got to get there on time. What we are doing is to give effect to the logistics economy. The third project is around the crafts market competing with Dubai – sculpture, paintings. The transport loop that's being looked into will link not only the airport to different parts of the province. Also, the airport itself as a magnet for the 18 million passengers that are landing there – they are destined for different destinations – and how do we make sure that Lanseria comes on board, Wonderboom which is where Aerocity is, Waterkloof as well as Rand Airport and all the logistics hubs for freight movement by air. That's what we are doing at the airports – these are actual projects that we are working on, some we've been given EIAs and some we are just finalising the commercial cases. These are massive projects and they're about creating jobs and making sure that we are competitive as a province. We are targeting the rest of the continent and the world and Sars is on board working with us...

Peter Bruce: It's exhausting just listening to you! Is SAA co-operating? They make life very difficult I know at the new Dube TradePort in Durban...

Qedani Mahlangu: We are meeting with their chief executive and we are working with most of the airlines. We are working very well with SAA...

Peter Bruce: Graeme, have we got the brains in Gauteng?

Graeme Bloch: What I really like is that we are seeing politicians who are driving things – or perhaps flying if not driving. I think that's really important – that we are waiting for things to fall into place. We are doing it – I think it's partly the doing like Jack spoke about technique in engineering, and it's partly that. I would like to see more discussion on the political transition – or the socio-economic transition that we are all living through. Again, there's the example that I use of teachers who are not just employees – or units who get moved around. We've seen the Premier talking to parents and getting the teachers doing things. I understand teachers are not just employees – they're also liberation fighters. The answer to your question "are we getting the brains" depends on whether we are going to fight for that liberation that we all put in place.

Peter Bruce: To call SADTU a worry as seems to be an understatement of the problem – it's a catastrophe surely?

Graeme Bloch: It's great that the politicians are saying it's a worry – that's an advance...

Peter Bruce: Michael when you hear plans like Qedani was talking about are you impressed? Is this the right way to go? I'll ask you about water just now...

Mike Muller: I'll give you a water answer – I did look through the plan, through the speeches – and one of the things I did like about it is quite a lot of the small things that are in here are things I know about that need to be done, things which are now being done.

Peter Bruce: Things that need to be done by government?

Mike Muller: Yes, they need to be done by government. What's also impressive about this – and I'm not just being nice because we used to fight, and I don't need to fight anymore – is there's a real mix of local and provincial government, and in some cases some national government activities here. It is quite important that we operate as one government – we can't afford a situation in South Africa with all our constraints to have the different agencies fighting with each other. Give or take one or two examples where things don't work so well there is a sense that people are working together and if there's a project – and since you ask about water I'm very pleased to see the Sedibeng waste water works is happening...

Peter Bruce: What is the effect of that project?

Mike Muller: Johannesburg has this great export – the richest city in the country exports all of its sewerage down to the south, to Emfuleni which is one of the poorest municipalities in the province and then expected Emfuleni to treat it. They did it terribly and the Vaal River was polluted and everyone screamed and shouted at them – but it was just

as much Johannesburg's fault as it was Emfuleni's. Because there was no sewerage treatment they couldn't develop a whole lot of these residential opportunities south of Joburg. This as I understand it is a piece of infrastructure that unlocks that development potential and also protects the environment down there. It's a nice project that stops the spillage in the Vaal River. Here we have national, provincial and local all working together, housing objectives, environmental objectives coming together nicely. It's important that we have examples like this.

Peter Bruce: I wanted to talk about threats to the province like acid mine drainage – I don't know if there are other threats...

Nomvula Mokonyane: What is a threat to the province is the rapid urbanisation that Gauteng is faced with – we have not less than 20000 people coming into the province per month one way or the other, seeking to settle whether that's for a year or a month. The expect services particularly through government be that water, sanitation, health services, education. In this province we have a reality – not something that we have heard – where learners from our neighbouring provinces come when school opens to the province, collect learner support material and uniforms and go back to their respective provinces. Others register late. We have to deal with that. The issues of rapid urbanisation is a challenge. The second one is the issues around availability of well-located land in the province for future development. The majority of that well located land is in the hands of the private sector and it has become a very tedious exercise to acquire that land. In some instances the issue of willing seller willing buyer becomes a problem because of the cost – precisely because there is an understanding that government needs that land prices become abnormal. The fourth thing is together with central government not resolving the baseline of the health and education budget for this particular province. Overall just the funding model – the budget formula of central government – we believe that correctly so it has to tilt more in favour of the rural status of a province. The fact of the matter is that we have lots of people moving from rural areas coming into the province and that also becomes a problem. The fifth thing that is also a problem is around environmental issues that has to do with acid mine drainage and the dolomitic state of land in the province. Fortunately we've found one another with central government to accelerate the intervention around acid water drainage. We also want to work with our own people in terms of land invasion and so forth because people locate themselves on land that is not suitable for development – and when they have to be resettled and then you have serious challenges. The last thing is we are victims of our own success as this province – a lot of things that we do raise expectations to an extent, and people become impatient. Very few of us remember suddenly that Soweto was one of our oldest townships whose infrastructure was actually going down.

Nomvula Mokonyane: We put all our efforts into turning Soweto around. When Soweto was developed there were service delivery protests in the south because communities in Orange Farm felt they

were neglected. Now that Soweto has been modernised there is a lot of work that is happening in Orange Farm. There is now a move by the province to also go to Tembisa which is the second largest township and turn it around and make it better and use the City of Johannesburg working with the city of Ekurhuleni to turning Tembisa around. The story of Soweto becomes a challenge because everybody wants to see it happening in their own backyard, the same day. It's those kinds of things that we are dealing with as social pressures. At the political level I think the dynamism of this province where you have a very strong presence of the opposition actually helps government to be on its feet. Two, the fact that you also have almost all parties that contest elections located in this particular province also shows that there is a level of maturity with democracy in the province and a demonstration of a deepening democracy. I was in Kliptown for me as a cadre of the ANC it's a sore point to know that we are not in charge of that ward – but it has also been quite helpful because then we're able to pilot our responsibility as an opposition in a very historical ward, where you have a clinic that was built in 1955 that's still there – yet the community has grown. Now you understand what irritates that community that we can't 20 years down the line still have a clinic that was built in 1955. There are things that really keep us on our toes – but what's also a reality is with the location of the media houses here in Gauteng we are always under the spotlight.

Peter Bruce: Is that a threat?

Nomvula Mokonyane: Sometimes it becomes a threat because sometimes the media positions itself as an opposition. Sometimes because of how government positions itself we aren't able to communicate properly. I think this kind of dialogue is quite important – building a relationship that should not actually make the other one to be indebted to the other, but making sure cards are played openly and allowing feedback through the channels of the media.

Eusebius McKaiser: If I can be critical and complimentary at the same time – a lot of us sitting in this room, including the journalists probably are asking themselves am I relaxing my critical faculties because all of this sounds amazing, or are the politicians lying to us? I think the answer is you're not lying – you've got the facts and figures that we can check before we print – yet unless everyone listens too much to Radio 702 the daily experiences are what Peter started the conversation with, or at least the impressions. There is a gap between what you're talking about and what Mike recognises in the speeches, and people's sense of what's happening in the province. We know we're better off than the rest of the country but we certainly don't feel like we're living in a nirvana which is sort of what comes out in some of this. That does speak to my point before the break which maybe sounded like a soft point – but I think it's a hard point – and that is to constantly make citizens as your columnist Steven Friedman likes telling us every week active partners and not just folks that we speak down to at provincial government level, and local government level. I

do think there is a gap between the amazing narrative we've heard here and people's sense of what's happening in the province.

Peter Bruce: I have to agree with you on the point of the proximity of media to the provincial government – there is no doubt in my mind that one of the great problems that exist in this country is that Parliament is in Cape Town, the media is in Johannesburg and the government is in Pretoria. The media is the poor cousin in all of this – we can't afford to chase you around – and there's never much meeting of minds. Mike, I wanted to briefly ask you about acid mine drainage. Should we worry about it? Somebody was writing that there is more water underneath Johannesburg than there is in the Kariba Dam. Surely that's a potential asset?

Mike Muller: That was David Gleeson, wasn't it? I restrained myself from writing back and saying that David Gleeson is full of e-coli. One of the points I was going to raise – we've talked about mandates of provincial government, we've talked about the minutiae of maintenance – but priorities are one of the key issues. There is a problem of pollution from old mines – there's no doubt it needs to be managed, and the mines are overflowing in the West Rand at the moment where you can go down to Tweelopiespruit and look. I know the scientist who tried to find where this pollution goes – it disappears long before it gets to Hartbeespoort Dam which is a desperately alkaline dam by the way. There is a need for remedy – but it's got to be put in context. I just said please can we make sure that we get the Lesotho Highlands Dam built on time? I should have added please can we make sure we get water conservation in all the municipalities in Gauteng. If we do those two things our water is more or less assured. Acid mine drainage is a problem amongst many others – I think Sedibeng Waste Water Works is far more important than acid mine drainage – but these all are things that have to be done. They've got to be weighed against each other and prioritised. One is going to be done this year and one is going to be done next year – congratulations on Sedibeng first and acid mine drainage second. That's actually the right order as a technocrat.

Mike Muller: For me the problem is for the government to set priorities. I think we haven't perhaps spoken enough about how we prioritised. Jack made a good point about doing the Gautrain because that is an entry point for a new kind of public transport – that's a really good argument for it, one of the few. How does the Gauteng government prioritise, how do you try and weigh up the different demands that you have? We haven't actually talked about that perhaps enough. Acid mine drainage just is a very good example of a demand "we've got to have expenditure on this now" when in fact you could probably spend more usefully on other things first.

Peter Bruce: Eusebius, the Premier was saying we're victims of our own success...

Eusebius McKaiser: I think it's true – but at the same time what I like about what the Premier is saying is that there can be a solution to that

problem, which is to actively in government make sure that someone has as their KPI responsibility for understanding the impact of these “health tourists” which I think is right, but also economic migrants, etcetera. The response to that being victims of our own success is that we simply have to plan for that – we’ve got to understand the life cycle of these people coming in, and what the impact is on the provincial fiscus. I don’t think it’s an intractable problem – and I don’t think it’s a justification for poor service in areas that need improvement like the hospitals that need bailouts. I hope if I understand the premier correctly it wasn’t an attempt to justify those weaknesses or areas that can still be improved on – but I think the proactive solution to being victims of our own success as a province is quite frankly to plan, and because party and state are not that clearly separated yet in the country – to run those arguments hard in the policy discussion debates about giving the province the powers to be able to do so. I think that’s the strategic way of dealing with it.

Nomvula Mokonyane: We agree that we have to plan ahead – that’s why through the Planning Commission we have been able to identify various pockets of land in the province that need development, provision of bulk services. Then as you have the influx you’re also able to direct people – even those that do not have direct access to shelter, as to where they can actually settle. We are not looking at a one-size fits all, not just the RDP but formalisation of informal settlements – allocation of site and service and a title deed – so that people can then develop as time goes on. Secondly, we want to deepen democracy and public participation. We have as part of our responsibility a task of keeping in touch with our own communities through constituency offices, through izimbizo as well as sectoral work that we are doing. We have a number of people who are supposed to be working on behalf of government, reaching out, community development workers, community health workers, home-based care people and so forth. We have also said we need to bring all those individuals together and they must know the brief of government – but they must also be the eyes and ears of the province. We’ve also set up a hotline which works differently from the Presidential Hotline – it deals with a case, it follows through, it leans on the municipality, it then gives feedback to the caller. That on its own has eased the problems. The visit by the Deputy Minister actually found that in fact we are now managing the calls about billing in Johannesburg in a different way because of the hotline that the province has established...

Peter Bruce: Is the province taking those calls?

Nomvula Mokonyane: Yes, the province takes the calls on behalf of the entire province, not the provincial government, but government in its entirety. We are interacting and following through. The Presidential Hotline gets a complaint and it refers. With us we go through to the service delivery point checking what exactly is happening in that regard. I do believe that deepening public participation and democracy will be an ongoing thing. It can’t be the ANC that does not do that – our strength has always been that of remaining in contact with our people.

That's what we need to be doing – not just relying on politicians. There are 11 politicians and we have a plethora of public servants. You need a cadre of the public servants that has got the heart and the love to serve our people. I think that is what's most important because as they walk to a clinic they won't find the premier – they find a nurse and a porter. You need a porter who has a heart and the love to serve our people with diligence. We need a teacher who understands that his or her responsibility is about the future of the African child. There's an anomaly – you find school principals being shop stewards. It's those things that we must discuss outside of government. How do you be a manager of this huge institution and on the other side you still have to go to a shop steward's meeting and all those kinds of things. These are the things that we must sort out with the Alliance...

Brutus Malada: I just wanted to say as a province in line with the statement that you've made that you are the victims of your own success – to put it differently you're hoisted by your own petard. The thing is what I think should be reflected on is the question of the interventions – I think there is an expectation that as the largest contributor to the GDP that at the national level Gauteng should work and should be efficient. You have the responsibility not only for your party but also for the state to be a model of good governance. The point I wanted to make also you could be the case that could motivate why we need provinces to stay – because of the kind of problems that we have had here – with the kind of activities that you are implementing that are good projects which if they succeed are a case as to why the provinces should stay. We can't have to put a very crude example because there is a problem in this or that province then we apply a simple rule and chop off the limbs because the patient is sick. You can't do that. Fix the problems that are there, intervene where it is necessary. The intervention that has been made in Gauteng I think we should hear a lot more about it and how far it has gone so far. I know that you have separated the responsibilities – but maybe you're not doing enough in terms of communicating about that. I think that intervention you have the opportunity to put it in the positive so that Gauteng does not get projected by the media as having weaknesses...

Nomvula Mokonyane: Gauteng is not under Section 100 – there is no national department that has taken over any department in Gauteng. We did our own assessments, we worked on what the problem statement is, we went to central government and said "here are the problems in health – we want you to give us support." These are the things that we have identified, and these are the interventions. As Brutus has raised it we've now been able to say let's work on a turnaround strategy. Remember you used to have authority resting outside of the service delivery departments with the GSSC – we've taken that authority back to the Department of Health and beyond just the provincial office...

Peter Bruce: It was an expensive experiment...

Nomvula Mokonyane: It was not a bad idea but it was how it was managed that compromised its integrity. We've now taken the

responsibility – the chief executives are given authority, we are capacitating them and making sure that there's a fully-fledged management. Chris Hani Baragwanath is a village on its own – it really needs its own capacity and staff. The procurement of medical supplies – we've also now said even if you have a medical supply depot in the province here's an institution that has the infrastructure, the four central hospitals and some of our district hospitals let's give them that capacity. We've started to delegate that authority. The third thing is we've also looked at how we have failed to pay suppliers. To date we've done a haircut amongst all departments where took out of our budgets to sort out the accruals from the Department of Health. We made a commitment that out of our own budgets we are going to resolve the accruals by June 2012. We are now working on contract management which was a serious problem in the Department of Health. The fourth thing that we are doing is to work with the national government to say the four central hospitals can't be the responsibility of the province alone when they render a service for the country – assist us. The last thing MEC Mandla Nkomfe is dealing with Minister Pravin Gordhan on the baseline for health – the minimum amount that must come into the funding of health in the province. There is a lot that we are actually doing – we've got an advisory council that works under the office of the premier and the Planning Commission with a team that is focusing just on issues of health management working together with KPMG. We are now sorting that out – we've now spent almost R1.6bn from December last year paying accruals, paying service providers. We have learnt the hard way but I'm sure it's a mistake that should never have any other person coming and presiding over it.

Peter Bruce: There are some desperate companies I am sure are still out there hoping that you get it right and that you can keep your promise...

Nomvula Mokonyane: Yes, we are doing our work, we are doing our bit talking to service providers. We have also found out that there are others who are not quite honourable in this work and hence we have set up a clearance house where we are verifying all the invoices that have been put together.

Ends hour two