



**ADDRESS TO THE NEW AGE BUSINESS BRIEFING ON
INFRASTRUCTURE DEVELOPMENT INITIATIVES BY LOCAL
GOVERNMENT**

SANDTON CONVENTION CENTRE

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Esteemed Guests from the USA League of Cities

Leaders from the Business Community

Distinguished Guests and Morning Live Viewers

Ladies and Gentlemen,

I greet you all this morning from Johannesburg and on behalf of the NEC of SALGA please allow me to express how grateful we are for this opportunity to interact with you on local government initiatives.

The past year saw South Africans from all walks of life, engaging in a dialogue facilitated by the National Planning Commission, aimed at assessing the progress made by the country and the challenges that remain. Following these interactions with communities and stakeholders, a diagnostic report was released in June 2011, and was celebrated by all as a true reflection of the state of our country. One of the nine (9) central challenges identified in the report was that infrastructure is poorly located, under-maintained and is inadequate in accelerating growth. This is clearly identifiable in different municipalities within which we live.

Another related challenge identified in the report, which is also visible in local development patterns, is that spatial patterns continue to exclude the poor from the fruits of development. The National Development Plan that emerged out of the diagnostic report is a visionary strategy which spells out what has to be done to consolidate the achievements we have registered to date and to deal decisively with the triple challenges which are inequality, poverty and unemployment that continue to bedevil us.

If we are to address these challenges, as well as reverse our fragmented, inefficient spatial legacy, we must increase investment in infrastructure. Public sector investment in economic infrastructure must seek to crowd in private investment in infrastructure too. To this end we need to consider matters relating to the; financing, planning, implementation and maintenance of infrastructure in partnership between the private and public sector of which local government is a critical player.

Government, through The Presidential Infrastructure Coordinating Commission of which SALGA and our metropolitan municipalities are members, unveiled an Infrastructure Plan in April this year, intended to transform the economic landscape of South Africa, by creating a significant number of new jobs as well as to strengthen the delivery of basic services to the people of South Africa and to support the integration of African economies.

The Plan is made up of Strategic Integrated Projects that are meant to support economic development and address service delivery in the poorest provinces.

The methodology and rationale used in developing the Infrastructure Plan is a good example of how spatial development planning should be approached. It is a method that some of our municipalities have insisted in following, as opposed to following traditional approaches where municipalities have been forced to develop unrelated sector plans that are required by sector legislations and departments.

The methodology is also different from what has been an increasingly popular approach of planning for development for specific geographical locations, such as wards, where in the case of a municipality it assumes a holistic spatial approach, by analysing development needs, and planning initiatives holistically in relation to a country and its neighbours.

For instance a municipality would have to plan in a way that seeks to maximise and complement strategic objectives shared by neighbouring municipalities as well as provincial and national government in relation to developmental initiatives.

The infrastructure development plan will lead to positive qualitative changes in our country and some of the municipal spaces set to benefit from some of these major infrastructure projects include municipalities such as Lephalale Local Municipality in Limpopo where a new post-1994 city is now on the rise. The OR Tambo District Municipality in the Eastern Cape is also likely to experience the same growth with the implementation of the Umzimvubu Dam and the N2 Wild Coast projects.

While this scale of infrastructure investment should lead to significant improvements in levels of employment, better quality of life and improved revenue base for our municipalities, local government has an important role to play if these development outcomes are to be realised.

The investment in electricity generation and transmission, in water storage dams and in highways must eventually lead to a change in the quality of life experienced by business and households for example municipalities have to take the electricity supply from the ESKOM's high voltage transmission lines and transform it into voltage levels that can be

used and distribute it to its consumers. Where there are no Water Boards municipalities are compelled to take water from the dams, purify it into portable water and distribute it to consumers. They have to provide roads that link communities to new highways and above all municipalities have to facilitate and manage local development in ways that will optimise benefits out of the infrastructure investment.

Municipalities are taking up this critical role that is interconnected to governments Infrastructure Plan and in this regard, municipalities are gearing their financial and institutional capacities, to refurbish, operate and maintain existing infrastructure that services economic development nodes, towns and cities while continuing to extend services to the areas that are not catered for.

In January this year as the NEC of SALGA we approved a five year strategic plan, inspired among others by government plans such as the National Development Plan, the New Growth Path and the National Infrastructure Plan noting the numerous challenges facing our member municipalities and the opportunities available to them in championing new initiatives.

The goals set out in our strategic plan responds to challenges relating to service delivery backlogs, rehabilitation and maintenance needs in infrastructure that is required in delivering basic services. SALGA's goal in this regard is therefore to facilitate and support municipalities in their efforts to deliver accessible, equitable and sustainable services.

SALGA's goal includes the initiation of developing policies, processes, and the required capacity that will enable municipalities to provide comprehensive services to communities.

The key objectives include facilitating and supporting in relation to:

- Access to bulk infrastructure finance for priority projects
- Establishment of sustainable institutions to manage bulk infrastructure
- Facilitating the refurbishment of municipal infrastructure services

Local government is the centre of planning and development and initiatives by all spheres and social partners unfold within a municipal space. It is therefore critical that we co-ordinate our efforts towards enhancing the capability of the state at the local level.

The infrastructure development programmes we embark on must seek to achieve four broad outcomes:

- they must ensure enhanced productivity in respect to cities and towns that are the economic engines of the country
- investment in infrastructure must facilitate cities that are resilient and responsive to our limited environmental asset base and contribute to our commitment in managing climate change
- development must be inclusive by ensuring that all communities enjoy the benefits particularly in ensuring jobs for all and lastly our;
- our development trajectory must ensure well governed municipalities, recognising that good governance, leadership and rooting out of corruption and maladministration are key pillars in the attainment of any sustainable infrastructure programme.

As a sector we look forward to the release of the census 2011 results on 30 October, as it will provide us with good baseline data to monitor the progress of our development. I believe the data provided will assist us in playing an effective oversight role in monitoring progress within our respective municipalities.

Distinguished guests and viewers I invite you to engage with me and my fellow panel members this morning, and it is my wish to provide you with a deeper understanding of how various sectors of our society, can work with municipalities in realising the potential positive impact of the infrastructure investment programme that the three spheres of government have collectively planned for this, our beautiful country.

I Thank You