

**Address of the President of South Africa, Thabo Mbeki,
at the Second Joint sitting of the third Democratic
Parliament, Cape Town**

11 February 2005

Madame Speaker and Deputy Speaker of the National
Assembly;
Chairperson and Deputy Chairperson of the National Council of
Provinces;
Deputy President of the Republic;
Honourable leaders of our political parties and Honourable
Members of Parliament;
Our esteemed Chief Justice and members of the Judiciary;
Heads of our Security Services;
Governor of the Reserve Bank;
President Mandela and Mrs Graca Machel;
President Jean Bertrand Aristide and Madame Aristide;
President of the Pan African Parliament, the Hon Gertrude
Mongella;
Ministers and Deputy Ministers;
Premiers and leaders of SALGA,
Mayor of Cape Town and other leaders in our system of local
government;
Our honoured traditional leaders;
Heads of the state organs supporting our democratic system;
Directors-General, Heads of our State Corporations and other
leaders of the public service;
Your Excellencies, Ambassadors and High Commissioners;
Distinguished guests, friends and comrades;
People of South Africa:

As we open this Second Session of our Third Democratic
Parliament, which will straddle the end of the First and the
beginning of the Second Decade of Democracy, I am privileged
to say that as a people we have every reason to be proud of
our historic achievements during our First Decade of
Democracy.

Central to these achievements is our success in advancing our country away from its divided past, towards the realisation of the vision contained in the Freedom Charter - whose 50th anniversary we celebrate this year - that, "South Africa belongs to all who live in it, black and white."

Of significant interest in this regard is the fact that this year we also commemorate the 50th anniversary of one of the most infamous forced removals in our country - the destruction of Sophiatown in Johannesburg, and its transformation into a white group area renamed Triomf, the Triumph of white supremacy.

This horrible act of violence against a people made the unequivocal and practical statement that the government of the day was determined to communicate the understanding that South Africa did not belong to all who live in it.

But as the Honourable Members know, our constitution-makers incorporated in the 1996 Constitution the alternative vision adopted at the Congress of the People during the same year of the destruction of Sophiatown, as reflected in the Freedom Charter. Our Constitution therefore states that "We, the people of South Africa, believe that South Africa belongs to all who live in it, united in our diversity."

As a consequence of the victories we have registered during our first ten years of freedom, we have laid a firm foundation for the new advances we must and will make during the next decade.

This foundation must help us to move even further forward towards the consolidation of national reconciliation, national cohesion and unity, and a shared new patriotism born of the strengthening of the manifest reality of a South Africa that belongs to all who live in it, united in their diversity.

It must help us to take the detailed practical steps to achieve better results today and tomorrow than we did yesterday.

This means that during each one of the years that make up our Second Decade of Liberation, including this one, we must achieve new and decisive advances towards:

- * the further entrenchment of democracy in our country;
- * transforming our country into a genuinely non-racial society;
- * transforming our country into a genuinely non-sexist society;
- * eradicating poverty and underdevelopment, within the context of a thriving and growing First Economy and the successful transformation of the Second Economy;
- * opening the vistas towards the spiritual and material fulfilment of each and every South African;
- * securing the safety and security of all our people;
- * building a strong and efficient democratic state that truly serves the interests of the people; and,
- * contributing to the victory of the African Renaissance and the achievement of the goal of a better life for the peoples of Africa and the rest of the world.

These objectives constitute the central architecture of our policies and programmes, intended to ensure that South Africa truly belongs to all who live in it, black and white.

Madame Speaker, we are privileged to have among us, as on previous occasions, our distinguished Chief Justice, Judge Arthur Chaskalson. I regret to say that this is the last time he will be with us in these Houses of Parliament as our Chief Justice.

Early last year, the Chief Justice reminded me that February 14, 2005, three days from today, will mark the 10th Anniversary of the inauguration of our Constitutional Court. He felt then that ten years was a long time for one person to hold office as the head of our apex court, as he has done.

He therefore thought it right and proper that he should take advantage of the beginning of the Second Decade of the Constitutional Court to retire from the Bench. We agreed that we should meet again at the beginning of this year to consider this matter, which we have now done.

Chief Justice Chaskalson has convinced me that his own determination to continue to contribute to the birth of our nation, rather than personal considerations, dictates that he should relinquish his high post. I have listened carefully to his moving argument and was similarly moved to agree to his request.

We have therefore agreed that he will be discharged from active service in our judiciary on May 31st, this year. Consequently I will take the necessary steps to consult the Judicial Service Commission and the leaders of the political parties represented in our National Parliament to determine who will be our next Chief Justice from June 1st, this year.

I am privileged to have the opportunity on this important occasion on our national calendar to convey our thanks to, and salute a great son of our people, Chief Justice Arthur Chaskalson. I trust that later this year, Parliament will give all of us an opportunity to bid this giant among the architects of our democracy the fitting farewell that the constraints of time today prohibit.

On behalf of the nation, I am honoured to convey our humble thanks to you, Chief Justice Arthur Chaskalson, for everything you have done as a South African, a lawyer and a judge, to shepherd us towards the construction of a South Africa that truly belongs to all who live in it.

Madame Speaker:

Also among us, both as Honourable Members and guests, are the volunteers who trudged the expanse of our country more than five decades ago, to gather the views of South Africans with regard to the kind of alternative society they wished to see, which culminated in the Congress of the People held 50 years ago that adopted the Freedom Charter.

It is a tribute to their foresight, courage and humanism that the product of their labours, the Freedom Charter, finds its reflection in the basic law of our land, our Constitution.

One of those volunteers is with us today. We are happy today to express the gratitude of the nation to Madoda Nsibande, and others.

Also among us is John Nkadimeng, a volunteer himself and founder-leader of the South African Congress of Trade Unions (SACTU), which was formed 50 years ago. We also have with us Chris Dlamini, representing the corps of worker-leaders who brought together various unions to establish COSATU 20 years

ago, the bearer of the baton of progressive trade unionism in our country.

Through their efforts, which we acknowledge in this Chamber today, John Nkadimeng, Chris Dlamini and their colleagues ensured that we can today say with pride that South Africa belongs also to all the working people of our country.

Allow me, Madame Speaker, also to acknowledge the late Gavin Relly, Zac de Beer and Tony Bloom who led the delegation that braved the threats and scorn of the then apartheid regime, to meet Oliver Tambo and other leaders of the liberation movement in Lusaka in 1985.

I would also like to pay tribute to the late Kobie Coetsee who, 20 years ago, initiated the first contact between the apartheid regime and Nelson Mandela, which led among other things to the release of Nelson Mandela 15 years ago today.

We further acknowledge the family of the artist, Thami Mnyele, one of those who 20 years ago was killed in his sleep by soldiers of the SADF who carried out an act of aggression in Gaborone, Botswana, targeting those of our people it had driven into exile.

Also among us in this chamber today is Helena Dolny representing the family of Joe Slovo, who passed away 10 years ago. As all of us know, in addition to everything else he did as an architect of our democracy, Joe Slovo started the programme that would make the homeless feel that South Africa belongs to them as well.

We are honoured that these esteemed South Africans have taken time to be with us today, to give us the privilege to salute them and their loved ones.

Like Angel Jones and Marina Smithers of the Homecoming Revolution, we know very well that, today, our country and continent provide the best and most promising locations for the solution of many of the problems that trouble the whole of humanity. All of us face the task to respond to this historic challenge.

Madame Speaker;

In May last year, in the aftermath of our third democratic elections, we set out the Programme of Action of government to achieve higher rates of economic growth and development, improve the quality of life of all our people, and consolidate our social cohesion.

We did this confident that the progress we had made in the First Decade of Freedom provided the platform for us to move forward faster, with better quality of outputs and better outcomes in building a society that cares.

With regard to the economy, a recent report of the Rand Merchant Bank prepared by the economist Rudolf Gouws says:

"Real domestic output growth accelerated through last year to reach an annualised 5,6 per cent in the third quarter - a rate last seen in 1996 - with contributions coming from all sectors of the economy. In terms of economic growth, South Africa has long been underperforming its emerging-market peer group, but the newfound higher growth path is bringing the country more in line with other successful emerging-market nations.

"...The current economic upswing, which began in September 1999, is not only the longest upward phase of the business cycle in the post-WWII period, but should also be sustainable into the future. One of the reasons is that the economy is in the process of changing from one driven predominantly by consumption (government as well as households), to one driven to a greater degree by fixed investment.

"As a consequence of the stronger growth, the employment picture in South Africa has gradually begun to improve. While South Africa certainly still has a major unemployment problem, there are encouraging signs."

Gouws comments on what he calls 'government's good track-record of implementing prudent fiscal policies' and continues:

"But the improvements in overall government finances were not brought about primarily to please the financial markets and the rating agencies, but rather to ensure that government is able to deliver services to the population in a sustainable

way. Concurrent with the turnaround in public finances were important institutional changes and improvements in the ability of government to deliver."

He concludes by saying that:

"Faster growth, coupled with efforts to improve the environment for doing business and addressing the plight of the poor more effectively, means improved chances for a sustainable improvement in the general welfare of all South Africans."

We agree with the observations made by Rudolf Gouws. Indeed, because of the factors he mentioned, we have, for instance, with 90% coverage of most social grants, almost met the objective we set for ourselves in 2002, of ensuring that all who are eligible for these grants receive them within three years.

Last December we passed the 10-million mark in terms of South Africans who have gained access to potable water since 1994. Free basic water of 6 kilolitres per household per month is now being provided to about three-quarters of households in the areas of our country that have the infrastructure to supply potable water.

Since 1994 close to 2 million housing subsidies have been allocated to the poor. Education remains our largest single budgetary item, with primary school enrolment rates remaining steady at about 95,5% since 1995 and secondary school enrolments currently at 85%.

The gross annual value of the social wage was about R88 billion in 2003 with the poor being the largest beneficiaries. The democratic state will not walk away from its obligation to come to the aid of the poor, bearing in mind available resources.

In this context, we must also refer to the latest Report of the UNISA Bureau of Market Research on "National Personal Income of South Africans by Population Group, Income Group, Life Stage and Lifeplane 1960-2007".

Among other things, this Report says: "In 2001 4,1 million out of 11,2 million households in South Africa lived on an income of R9 600 and less per year. This decreased to 3, 6 million households in 2004, even after taking the negative effect of price increases on spending power into account. On the other hand, the number of households receiving a real income of R153 601 and more per annum rose from 721 000 in 1998 to more than 1,2 million in 2004."

The additional social expenditures we have mentioned demonstrate what Rudolf Gouws was referring to when he said that the "the improvements in overall government finances were (brought about) to ensure that government is able to deliver services to the population in a sustainable way".

On the other hand, reflecting on one element of the programme that we announced last May - the issue of school infrastructure - the editor of "City Press" said correctly that:

" [T]he backlog of classrooms still runs into several thousand nationwide ? [W]e believe that addressing the crisis in education is perhaps the most urgent priority. The March deadline will not be met? [Government] must work out a plan that will ensure the speedy delivery of classrooms to all."

Overall, our own detailed assessment of the implementation of our programme of action reveals that of the 307 concrete actions contained in the government's programme, some of which we announced in the last State of the Nation Address: 51% of those with specific time frames have been undertaken or are being undertaken within the deadlines we set;

21% have been or are being undertaken, though there were slight delays in terms of the time frames that we had set ourselves;

28% have not been fully carried out, and the reasons behind the delays are such that new deadlines will have to be set for their accomplishment.

In other words, 72% of these programmes are being carried out within the broad framework of the time frames we had set ourselves. 86% of the concrete actions that did not have specific time frames are progressing as envisaged, while 14%

show some delays that call for urgent attention by government.

I wish to thank our colleagues in Cabinet, the Provincial Executives and municipal executive councils, the public service as well as the leadership of our social partners who have put shoulders to the wheel to ensure that we carry out that which is expected of us jointly and severally to meet our common national objectives.

We also highly appreciate the oversight role as well as the direct contribution in the crucible of actual implementation of our public representatives in all the three spheres of government. We are confident that Honourable Members will persist in this service to the people, so as to improve our work, all-round.

What then is the programme of government for the year, and how shall we build on the work done in the past decade in general and the past nine months in particular?

As Honourable Members will know, the details of the actions in each of last year's programmatic areas have been published on the government website. I shall therefore only identify the major issues in terms of our past work, and then outline some of the things that need to be done in the coming year.

With regard to interventions to grow the First Economy, the broad objectives we set ourselves remain the same. We will continue our consultations with our social partners to ensure that our economy continues to steam ahead, as Rudolf Gouws predicted.

Our programme for the coming year is premised on the broad objectives to increase investment in the economy, lower the cost of doing business, improve economic inclusion and provide the skills required by the economy. Therefore, the details outlined in May last year, to the extent that the tasks are ongoing, remain an integral part of the programme.

On infrastructure, we have since May 2004, developed strategies and investment plans upward of R180-billion in relation to transport logistics, electricity and water resources. We would like to cite only two instances in this regard.

Transnet has already approved business plans for new investments in the Durban and Cape Town harbours, as well as the construction of a new pipeline between Durban and Johannesburg. As it brings three previously decommissioned power stations into operation, Eskom will add R5,86 billion to the GDP by 2007, with new jobs created peaking during the same year at 36 000.

We have also taken steps the better to manage administered prices, through the actions of independent regulators as well as through more rigorous monitoring which will see an Administered Prices Index produced by the official statisticians from the first quarter of this year.

Discussions continue with the steel and chemical industries in particular to reach agreement on the issue of Import Parity Pricing. Government has decided to avoid using legislation or regulations even in the face of these obvious market failures.

We believe that there is growing consensus among economic role-players with regard to what we are seeking to do. This is to ensure that, working with especially the producers of inputs that are strategic for economic growth, we find a resolution to this matter in a manner that addresses the interests of both these producers and the downstream industries.

Bold steps have been taken further to liberalise the telecommunications industry. We believe that the unacceptable situation in which some of our fixed line rates are 10 times those of developed (OECD) countries will soon become a thing of the past. We also hope that the delays in setting up the Second National Operator, arising from legal processes which are beyond government's control, will be resolved in due course, and as soon as possible.

Further work has been done to improve the work of defining and implementing sectoral charters, as agreed at the Growth and Development Summit in 2003.

In this regard, I especially and warmly welcome the decision of the South African banks to implement the provisions of the Financial Sector Charter, as a result of which they have made a public three-year commitment to provide at least R85 billion

to finance low-cost housing, infrastructure, black small business enterprises and new black farmers.

Elements of the Codes of Good Practice for Broad-based Black Economic Empowerment have been released for public comment, and once this process is finalised, it will then be possible to appoint the Black Economic Empowerment Council. Related to these efforts is the progress made in setting up the Small Enterprise Development Agency, to improve our government's performance in the critical area of the development of small and medium enterprises.

With the commitments from the private sector as demonstrated by the banks, it is clear that together, as South Africans, we are set to make a determined effort to speed up broad-based black economic empowerment and small business development.

In this regard, I would like to mention and welcome the announcement made by the CEO of Anglo American South Africa, Lazarus Zim in the last few days, indicating the large resources his company will spend to empower a great number of black enterprises.

To ensure properly focused development planning, Cabinet is working to align the National Spatial Development Perspective with the Provincial Growth and Development Strategies and the municipal Integrated Development Plans.

To increase the numbers of skilled workers, we have met the target set by the Growth and Development Summit and trained more than 80 000 learners. We have also released the draft immigration regulations for public comment.

It is however clear that more work will have to be done to raise the skills levels of our people. Accordingly, the government has approved a new National Skills Development Strategy for the period 2005-2010. R21, 9 billion over five years will be allocated to fund this Strategy, which will include improved cooperation between the SETAs on one hand, and the Further Training and Education colleges and the institutions of higher education on the other.

At the same time, we have taken note of the reasons for the delay in implementing some of the announced programmes. These include the complexities of the tasks to be carried out, the rigour required in planning and implementing these actions across all the spheres, the magnitude of resources demanded, and the subjective capacity of the implementing agents where at least financial resources were made available.

In this regard, government will ensure that the outstanding tasks are attended to within the next three months. These are:

- * finalising the government-wide review of performance practices in State-Owned Enterprises;
- * finalising discussions, especially in the context of the Financial Sector Charter, on investing 5% of investible capital of financial institutions in productive activity;
- * completing the strategy on better utilisation of the Isibaya Fund of the Public Investment Commission;
- * investing R220-million from the Rail Commuter Corporation for commuter transport and safety;
- * improving the effectiveness of the skills development structures in government for the implementation of the Human Resources Development Strategy;
- * completing the register of all graduates; and
- * using the review of Sector Education and Training Authorities (SETA's) to bring about the necessary changes in the supervision and governance of these Authorities.

In consultation with our social partners, a number of constraints limiting our capacity to embark on a higher growth path, will receive our urgent attention.

Based on the review of the regulatory framework as it applies to small, medium and micro-enterprises, before the end of the year, government will complete the system of exemptions for these businesses with regard to taxes, levies, as well as central bargaining and other labour arrangements, enabling these to be factored into the medium-term expenditure cycle.

The system of tax and levy payments and business registration will be reviewed, with the aim of introducing a simpler and streamlined system for all businesses by April 2006.

The capital investment programme of government will be speeded up focussing on housing, rural and urban infrastructure, public transport and national logistics system, water and electricity. In part to facilitate this, urgent steps will be taken to strengthen the Public-Private Partnership mechanism in government by December 2005. At all times these partnerships should involve local communities.

New steps are also being considered together with international investors to improve foreign capital inflows.

In order further to improve the capacity of government to service the needs of investors, specialist capacity in the Department of Trade and Industry will be beefed up.

Within the next nine months, we will make a special effort to finalise sector development strategies and programmes, with regard to:

- * chemicals, business outsourcing and tourism, which will receive additional immediate support;
- * ICT and telecommunications, agro-processing, community and social services; and
- * wood and paper, appliances, the retail and construction industries.

Madame Speaker;

As we have asserted, success in the growth of our economy should be measured not merely in terms of the returns that accrue to investors or the job opportunities to those with skills. Rather, it should also manifest in the extent to which the marginalized in the wilderness of the Second Economy are included and are at least afforded sustainable livelihoods. South Africa belongs to them too, and none of us can in good conscience claim to be at ease before this becomes and is seen to become a reality.

During the past nine months, we started to put the Expanded Public Works Programme into operation. To date, we have spent over R1, 5 billion, created over 76 000 job opportunities and begun to afford thousands of those enrolled, with the skills that will stand them in good stead as they leave the programme.

A critical element in assisting those in the Second Economy is provision of information, particularly regarding how they can access economic opportunities. In this regard, the targeted communication campaign on economic opportunities occupies a central place. We hope to partner the media, particularly the public broadcaster, to bring this information to many more people.

To assist in this regard, some 500 Community Development Workers have been enrolled as learners in Gauteng, Northern Cape, the Northwest and the Eastern Cape. Management structures have also been put in place to ensure the optimal utilisation of the Municipal Infrastructure Grant.

To take the interventions in the Second Economy forward, the following additional programmes will be introduced or further strengthened by April 2005, as part of the Expanded Public Works Programme and focussed on providing training, work experience and temporary income especially to women and youth. These are:

- * the Early Childhood Development programme, based on community participation, having ensured a common approach among all three spheres of government - the necessary additional funding will be provided;
- * increasing the numbers of Community Health Workers, having harmonised training standards and increased resources allocated to the programme; and,
- * the more extensive use of labour intensive methods of construction targeting housing, schools, clinics, sports facilities, community centres and the services infrastructure.

Further, business plans for the Agricultural Credit Scheme have been approved. We will ensure that it becomes operational within the next three months, with the capital of R1-billion already allocated. This scheme forms part of the broader small and micro-credit initiative, to enable those formerly excluded the opportunity to access credit for productive purposes.

In addition, R100-million has been transferred to provinces for the implementation of the farmer support programme. The Apex Fund, the launch of which was delayed, will also become

operational in this period. The Bill on co-operatives has been submitted to Parliament for finalisation.

Emphasis in all these Second Economy programmes will be put on those areas already identified for urban renewal and rural development.

Better to understand the dynamics in the Second Economy and ensure effective targeted interventions; a socio-economic survey of these communities will be conducted during the course of 2005. These surveys will then be carried out in three-year intervals.

Honourable Members;

With regard to the social sector, government has continued to allocate more resources and put in more effort to provide services to society at large and a safety net for the indigent. Project Consolidate of the Department of Provincial and Local Government will further increase the capacity of the municipalities to improve our performance in these areas.

In addition, campaigns to reduce non-communicable and communicable diseases as well as non-natural causes of death will continue, through the promotion of healthy life-styles and increased focus on TB, AIDS, Malaria, cholera and other water-borne diseases, and generally increasing the standard of living of the poorest among us.

Broad trends in mortality confirm the need for us to continue to pay particular attention to the health of our nation. With regard to AIDS in particular, the government's comprehensive plan, which is among the best in the world, combining awareness, treatment and home-based care is being implemented with greater vigour.

As Honourable Members would know, a new housing strategy has been adopted and increased resources will be allocated to meet the objectives that we have set ourselves.

We are also confident, given the evidence of progress thus far, that the various interventions in the area of education and training, including the merger of institutions of higher learning, improved teaching and learning especially in mathematics and

natural sciences, and provision of additional support to schools in poor areas, will produce positive results, as planned. In this regard, we are pleased to indicate that, in addition to allocations already announced for the salaries of educators, more resources will be allocated for this purpose in the new financial year.

Our social sector programme for the coming year will include the intensification of the programmes we identified last year, to meet our long-term objectives such as the provision of clean running water to all households by 2008, decent and safe sanitation by 2010 and electricity for all by 2012.

We do acknowledge that there have been delays in carrying out some of the programmes. Further effort will be put into clearing the logjams. With regard to the provision of safe classrooms, for instance, we had committed ourselves in 2002 to ensure that within three years, no child studied under a tree.

As the editor of "City Press" suggested, our schools infrastructure programme will not be realised even within the set time frame. The same applies to the commitment we made last year that all schools would have potable water and sanitation by the end of this financial year.

We will later come back to the challenges of capacity in government, as illustrated by the failure to meet these challenges. Suffice it to indicate that during the course of this year, we will:

- * update the schools register of needs and iron out the rough creases among the implementing agents within and across the spheres of government to ensure that we meet the objective of safe classrooms and healthy environments in our schools in as short a time as possible;
- * allocate additional resources over the next three years to cover outstanding claims in the land restitution programme;
- * complete discussions with Eskom, the provincial governments and local municipalities to ensure that free basic electricity is provided to all with the minimum delay;
- * improve the capacity of municipalities to ensure that the target of providing sanitation to 300 000 households per year is met as from 2007;

- * continue the battle to ensure that all citizens have access to affordable medicines; and
- * intensify the programme to refurbish hospitals and provide more professionals especially in rural areas.

We shall also, during the course of this year launch the National Social Security Agency and implement systematic plans against corruption, including with regard to definitions of disability and allocations of the foster care grant.

In relation to a broader understanding of our society - the macro social state of our nation - research has been completed and discussion has taken place in Cabinet covering such issues as social structure and social mobility; demographics and dynamics with regard to such categories as race, language, religion, gender, age and disability; social organisation in terms of the family and civic participation; as well as matters pertaining to identity and social values. Government will in the next three months examine the implications of this research on policy and, if necessary, relevant decisions will be taken to enhance our work in strengthening social cohesion.

Honourable Members;

As we indicated last May, we have set out to ensure that during the Second Decade of Freedom we improve the machinery of government so that wherever we are, each one of us, is inspired to act as servants of the people.

As we have already indicated, we have started to recruit Community Development Workers. We want to ensure that Community Development Workers are deployed in each local municipality by March 2006.

The institution of izimbizo is growing, with a larger number of events involving all spheres of government, better follow-up and greater depth in terms of house-to-house visits. We have launched the Batho Pele Gateway to afford citizens the platform to access information and, later, services by electronic means.

Over 65 Multi-Purpose Community Centres have been launched, and by the second half of this year, each district and metropolitan council will have its own centre. Plans have been

approved for the construction of hundreds more such centres, so that by the end of the decade, each municipality would have a one-stop government hub.

In order to ensure effective leadership of the public service, we have completed a review of skills and levels of competence within the Senior Management Service. Plans will be put in place to fill the gaps where they exist.

At local government level, more than 80% of Ward Committees have been set up. Work is continuing to ensure their proper functioning. Through Project Consolidate, 136 municipalities at risk are being assisted to put their houses in order. Because of our appreciation of the centrality of local government to service delivery, we have ensured the doubling of the municipal budget over the past eight years. We will continue to increase the resources available to local government.

To improve integration among all spheres of government in both policy development and implementation, the Inter-Governmental Relations Bill has been finalised, and is awaiting processing by the two houses of our national parliament. This will be complemented by the alignment of spatial and development strategies and planning cycles among all the three spheres of government.

Certainly it is a reflection of weaknesses in the governance system that the plans to build school infrastructure are unfolding at a much slower pace than envisaged. The public sector as a whole cannot claim to be such, if the benefits of free basic electricity are accruing mainly to those who are relatively well off. That only 56% of the Municipal Infrastructure Grant had been allocated to municipalities by December is a reflection of lack of all-round capacity particularly in technical areas with regard to water, sanitation and public works projects.

And the laborious decision-making process is not helping either.

We can refer to the provision of services across all the spheres or weaknesses in the implementation of the urban renewal and rural development programmes, and the conclusion will be the

same. We need massively to improve the management, organisational, technical and other capacities of government so that it meets its objectives.

In this regard, the following programme will be implemented during the course of the coming year:

By May, the Forum of SA Directors-General will submit to Cabinet a thorough review of the functioning of the government system as a whole, and make proposals particularly on the capacity of the implementing agents, skills and competence within the public service, alignment of planning and implementation, and issues pertaining to the mobilisation of the public service to speed up social transformation.

By the end of the year, an improved Batho Pele campaign, including unannounced site visits, name badges, and enhanced internal communication within the public service will be visibly asserted. In this regard, we need to have an on-going national programme to entrench the ethos of Letsema and Vuk'uzenzele among all our people and ensure that these values permeate the work of government, business, labour and communities.

In this context, we must also make a determined effort to educate our population that our country does not have the resources immediately to meet, simultaneously, all the admittedly urgent needs of our people, especially the poor. All of us must understand the stark reality that even illegal violent demonstrations will not produce these resources, and will be met with the full force of the law. At the same time, we have to deal with those within the public service who, because of their negligence and tardiness, deny many of our people services due to them, in instances where resources have been made available to deliver these services.

The programme to improve services through Gateway and Multi-Purpose Community Centres will be intensified.

By June this year, the plan to improve monitoring and evaluation across government, including the electronic information management system will have been completed for phased implementation.

We shall also intensify the programme to expand employment in the public service, particularly among the police, education and health professionals as well as sections providing economic services across all spheres.

During the course of this year we will speed up the implementation of the comprehensive plan to improve the capacity of the National Statistics System, including Statistics SA.

By June this year, we will complete the review of gender balances as well as representation of people with disability within the public service, against the targets that government had set itself. We do hope that, as part of their own contribution to the transformation of South African society, and in the context of the obligation to meet the requirements of our laws, the private sector will do the same.

Collectively, we need to fight the tendency to act according to particular stereotypes, described so succinctly by Steven Friedman, an analyst at the Centre for Policy Studies:

"In business and the professions too deeply pervasive prejudices decide who has ability and who not. ? [I]t is dressed up as support for 'merit' and it infests the thinking of many who believe, genuinely, that they are not prejudiced. ?And the effect in lost performance, loss of self-esteem and anger from the thwarted is much the same. It may well cost us far more lost growth and achievement than all the other factors we often cite."

Within 3 months, a Summit on Corruption will be convened to review experiences across all sectors of society and agree on a programme to strengthen the campaign, including structures set up to deal with this challenge.

Madame Speaker;

Two weeks ago, on the 28th of January we celebrated the day on which, ten years ago, the South African Police Service Act was promulgated. Government took the decision to declare this our National Police Day not only to mark the formal establishment of a new Police Service of a democratic South

Africa, but also to pay tribute to the men and women who have put their lives on the line in defence of the safety and security of the citizens.

Let me take this opportunity once more to congratulate the management and our Police Service as a whole, and reassure them that their efforts are appreciated by all law-abiding South Africans and that we shall continue to work with them to protect the security and dignity of all who live in South Africa.

The progress that we are making in dealing with crime is manifest in the ongoing reduction in the rates especially of the most serious crimes.

The trend in the past financial year which has seen the rate of such crimes as murder decline by 8%, theft of motor vehicles and motor cycles by 5,4%, common robbery by 5,9%, cash-in-transit heists by 48,7% and bank robberies by 57,5% should continue and in fact improve in subsequent years.

Yes there are crimes such as aggravated robbery and child abuse, which show an increase. Yes the level of crime, especially violent incidents, remains unacceptable. But we are confident of meeting our target to reduce the rate of contact crimes by 7-10% per year.

As planned, the security agencies have set up Task Teams to identify, apprehend and convict the gang leaders of organised crime and other perpetrators of serious crimes. Of those involved in organised crime, 67 out of 96 identified have been arrested. The same deserved fate has befallen 40 out of 42 identified for commercial crimes involving cases above R5million and other projects valued at R50million. 61 of the 62 involved in violent crime including cash-in-transit and other robberies as well as serial murder and serial rape have been arrested. In brief, 168 of the Top 200 identified have been apprehended.

In terms of the methodology of the Police Service, to identify a broader group of top criminals using criteria related to repeat offending, the net of our intense focus will be cast wider so as to include individuals and gangs whose arrest is sure to improve the safety of communities in all regions of the country.

As Honourable Members would know, an additional allocation of R2, 3 billion was announced last October to improve the salaries of members of the police service. I am pleased to indicate that more resources will be added to what has already been allocated. Further, to improve our capacity to fight crime, an additional 8 000 members and 3 000 support staff have been recruited into the Service since May 2004.

At the same time, in the period since our last address to this joint sitting, we have completed the terms of reference for the comprehensive review of the criminal justice system, launched the Service Charter for Victims of Crime and started training those who will provide the services that derive from the Charter. We have also launched three community courts and started 8 pilots in six provinces; and we have started phasing in units of the Police Service for improved border control.

In the coming year, we shall continue with all these and other programmes, to:

- * speed up the setting up of community courts beyond the pilot projects so as to have at least 2 such courts per province;
- * give life to the "victims' charter" through reorientation of the implementing personnel, information to citizens and, where applicable, legislation to regulate this service;
- * expand the number of police areas for focussed multi-disciplinary interventions from 63 to 169;
- * strengthen partnerships with business and communities, including the expansion of the coverage of close-circuit television in more metropolitan centres;
- * further improve law-enforcement and security at ports of entry;
- * improve monitoring of case loads to reduce case cycle time, and improve performance of justice officers through the revitalisation of the Justice College;
- * rapidly reduce the number of children in police and prison custody with emphasis on KwaZulu/Natal, Western Cape and Gauteng Provinces;
- * complete, by April 2007 four additional Correctional facilities while introducing a new ethos in the treatment of offenders in order to reduce recidivism;
- * operationalise more sexual offences courts, taking into account that the conviction rate in these courts, (at 62%), is much higher than in ordinary courts (at 42%), and improve

the capacity of all dedicated courts, including those dealing with car hijacking; and

* review the Foreign Military Assistance Act in order to discourage, for their own good and the good of the country, those who seek to profit from conflict and human suffering such as in Iraq.

We shall do all this, Madame Speaker, conscious of the responsibility that we have not only to our own citizens, but also to the rest of humanity in pursuing the goal of a better world.

In the first instance, our greatest challenge in this regard is to consolidate the African agenda, and we can draw inspiration from the many positive developments on the continent since we addressed the Joint Sitting of Parliament last May.

In our regional community, SADC, the people of Botswana, Mozambique and Namibia have held yet new democratic elections. In Mozambique and Namibia they also ensured the passing of the baton of leadership in an exemplary manner. Progress is being made to strengthen SADC, and we are honoured that South Africa currently chairs the SADC Organ on Politics, Defence and Security. We are pleased with the progress being made towards the formation of the SADC Peacekeeping Brigade, which will form part of the AU Standby Force.

Today South Africa enjoys the singular honour of being the permanent venue for the Pan-African Parliament, and we form part of the AU Peace and Security Council. We thank the President of the Pan African Parliament for here presence in the House today.

During the coming year, we shall continue to strengthen our contribution to the efforts of humanity to build a world in which each can feel a sense of belonging enjoying an improving quality of life.

In addition to the ongoing tasks already identified in the programme presented last May:

We will ensure more deliberate application to the task of revamping SADC management structures, and speeding up the

integration of our economies on the sub-continent, including the implementation of infrastructure projects already identified with regard to transport and energy;

We will finalise our preparations for South Africa's Peer Review assessment, working with partners in civil society. We will also play our part in ensuring a successful launch of the continent-wide civil society council, the AU ECOSOCC, during the course of this month.

We also wish to pay tribute to our National Defence Force for the consistent role they are playing as part of the midwives of peace, stability and prosperity in the Democratic Republic of Congo, Burundi and Darfur in the Sudan. With regard to the DRC and Burundi in particular, they have contributed to the fact that we can speak with some measure of confidence that our brothers and sisters in these countries will, this year, at last exercise their right to choose governments based on the will of the people.

It is our fervent wish - and we shall continue to contribute to the achievement of this objective - that the leaders and people of Cote d'Ivoire find one another to implement all the necessary steps to end the crisis in their country, creating the possibility for the holding of democratic Presidential elections in October this year in a unified country.

The current unconstitutional charade in Togo, following the death of President Eyadema, which ECOWAS and the AU are confronting firmly, adds to instability in West Africa. This must communicate the message to the people of Cote d'Ivoire and the rest of our continent that everything must be done to solve the Ivorian crisis, given the importance of this country, which has the third largest economy in sub-Saharan Africa.

We shall continue to work with the government and people of Zimbabwe, as part of the SADC collective, to ensure that the elections they are to hold in less than two months are free and fair.

We shall also continue our engagement with the Kingdom of Swaziland to help where we can in the efforts to construct a constitutional dispensation that enjoys the confidence of all.

We have begun to do our work as the Convenor of the Sudan Post-Conflict Reconstruction Committee of the AU, and will focus on this task to contribute to the successful implementation of the vitally important Sudan peace settlement signed last month in Nairobi.

We have also taken the first steps to engage the new government of Somalia, at the request of its President, to assist in the challenging process of the reconstitution of what had become a failed state.

We shall continue playing our role to ensure the success of the AU and its programme, the New Partnership for Africa's Development (NEPAD). Our Finance Minister and other African leaders serve on the Africa Commission established by the British Prime Minister, Tony Blair, who will chair both the G8 and European Union this year, and whose objective is to ensure the effective implementation of the G8 Africa Action Plan adopted by the G8 governments to support NEPAD.

We will continue to work with the UK and other members of the G8 to ensure that the July Summit Meeting of this Group produces the practical results with regard to the NEPAD and G8 Africa Action Plan objectives already agreed between Africa and the G8.

Madam Speaker;

South Africa has had the privilege, in the past eight months, to host President Jean-Bertrand Aristide of Haiti and his family, fulfilling our responsibility to Africa and the African Diaspora. We are indeed very happy that President and Mrs Aristide are with us in this House today. To contribute to efforts aimed at ensuring that the people of Haiti know peace and prosperity, we are working with the African Union, the Caribbean Community and the United Nations to normalise the situation in that country so that democratic elections can be held later this year, as scheduled. In the next two months, we will take part in a Caribbean Diaspora Conference, which we hope will lead to a Global Conference in the near future.

Last year we hosted the Afro-Asian solidarity organisation, AASROC, and the Ministerial Meeting of the Non-Aligned Movement. Beyond the formal interactions that take place at

this level, there could not have been a better expression of human solidarity than the enthusiastic response of South Africans, to the devastation caused by the seaquake and ensuing tsunami in Asia and the northeastern shelf of Africa. We again express our solidarity with the affected nations, and the families of South Africans who lost their loved ones, and pledge to contribute what we can to ease their plight.

We shall also take part in the Asia-Africa Summit in Bandung, Indonesia in April 2005, both to strengthen ties across the Indian Ocean, and to mark the 50th anniversary of the famous Bandung Conference, which made a decisive contribution to the strengthening of Afro-Asian solidarity in the anti-colonial struggle, and led directly to the establishment of the Non-Aligned Movement.

In the next two months, we shall host the Ministerial Trilateral Commission meeting of India, Brazil and South Africa, to review these strategic relations focused on building South-South co-operation. In the same vein, we will continue to strengthen our bilateral relations with the People's Republic of China.

Some three months ago, the national liberation movement and the world at large lost one of its eminent leaders, President Yasser Arafat. We wish once more to pay tribute to this outstanding son of the Palestinian people, and to wish the new Palestinian President, Mahmoud Abbas, the peoples of Palestine and Israel lasting peace in states that co-exist in conditions of security for all, cooperation and human solidarity.

I would also like to take advantage of this occasion warmly to congratulate and salute Israeli Prime Minister Ariel Sharon and Palestinian Authority President Mahmoud Abbas for the bold steps they have taken during the last few days to communicate a firm message of hope to their respective peoples. I would like to assure them that in this regard, they have the unequivocal support of our government and the overwhelming majority of our people.

We also salute the invaluable contribution made by President Mubarak of Egypt and King Abdullah of Jordan to this happy development. Similarly, we are pleased to acknowledge and welcome the resolve publicly communicated by President

George W. Bush and the new U.S. Secretary of State, Dr Condoleeza Rice, to do everything possible to implement the Road Map for the speedy resolution of the Israel-Palestine conflict within the context of a two-state solution.

We also wish the people of Iraq success in their march towards lasting peace in the context of a fully restored sovereignty and a united, democratic Iraq, strengthened by the diversity of its population.

We will also continue to work with the Government of Iran and the rest of the world community to find a lasting solution to the dispute that has arisen over issues related to the uses of nuclear technology.

We shall also continue to work with the Secretary-General of the United Nations and other states for global consensus in the restructuring of this body so that it plays its due role as the ultimate and inclusive authority on global governance and development.

This will be given further impetus when later this year, South Africa hosts the annual conference on Progressive Governance, bringing together distinguished world leaders who have the interests of the poor and the marginalized at heart.

We shall intensify our efforts to build a global movement of human solidarity. In this regard, we shall build on the groundswell of global appreciation and solidarity that characterised the celebration of our First Decade of Freedom.

It is also in this context that we shall intensify our efforts, working with the rest of Africa and the Federation of International Football Associations (FIFA) to prepare for the 2010 Soccer World Cup, confident that the trust placed in us by leaders of the "beautiful game" shall be validated in every way.

I am pleased to welcome to our country the world's leading women golfers who begin the Women's World Cup of Golf tournament in George today, and wish our team success in its effort to emerge as the World Champion. Our best wishes also go to the Proteas cricket team to vanquish their English opponents in the current limited overs matches.

Honourable Members;

We are not being arrogant or complacent when we assert that our country, as a united nation, has never in its entire history enjoyed such a confluence of encouraging possibilities. On behalf of our government, we commend our programme to the country, confident that its implementation will help to place us on the high road towards ensuring that we become a winning nation and that we play our role towards the renewal of Africa and the creation of a better world.

Acting together, we do have the capacity to realise these objectives. And sparing neither effort nor strength, we can and shall build a South Africa that truly belongs to all who live in it, united in our diversity!

Thank you.

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