

## **2016 BUDGET ADDRESS OF THE CAPITAL OF SOUTH AFRICA**

### ***ONE NATION. ONE CAPITAL. ONE PEOPLE:***

#### ***Financing Tshwane Vision 2055***

Delivered by His Worship, the Executive Mayor of Tshwane, Cllr Kgositso Ramokgopa

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Madam Speaker of Council,  
The Chief Whip of Council,  
The Leader of Executive Business,  
Members of the Mayoral Committee,  
Fellow Councillors,  
Traditional Leaders,  
City Manager and Senior Managers,  
Members of the Media,  
Comrades and Friends,  
Fellow Residents of the Capital,

We are acutely aware that the delivery of this Budget Address occurs under tumultuous economic conditions not only in the country but, indeed, across the globe. Global growth disappointed again in 2015, slowing to between 2,4% (according to the World Bank) and 3,1% (as indicated by the IMF), and is expected to recover at a slower pace than previously anticipated. Similarly, South Africa's growth forecast has been adjusted downwards by the IMF to 0,6%, down from an initial forecast of 0,7% in January of this year. This represents half of the growth that the IMF forecasted for 2016 during the course of last year. Just this week, Statistics South Africa revised the country's real GDP growth rate for Quarter 4 of 2015 to 0,4%, down from the previously anticipated 0,6%. Clearly, this undesirable situation places an even greater impetus for local government across the globe to mitigate the effects of these dynamics within the indisputable context of cities as core economic centres and drivers of nation states.

In Tshwane, the picture looks slightly rosier. Although we have averaged at 4,0% so far this decade, which is higher than the national average over the period concerned, our growth estimate currently stands at 2,4%. The capital contributes more than 27% to the Gauteng economy and an estimated 9% to the national economy, while our unemployment rate, amongst a population of approximately 3,2 million, stands at 21,2%, which is also lower than the national unemployment rate. This does not imply that we can be complacent in any respect – when compared to our global peers, such rates of unemployment are wholly unenviable.

Government's central fiscal objective over the medium term is to stabilise the growth of debt as a share of GDP. Strict adherence to the planned expenditure ceiling and proposed long-term fiscal guideline of linking government spending to long-term growth is projected to result in gross debt stabilising at 49,4% of GDP by the 2018/19 fiscal period.

Madam Speaker,

According to the World Economic Forum's Global Competitiveness Index for the 2015/16 period, South Africa has improved by four places and is currently ranked 85<sup>th</sup> of 140 countries in terms of its macroeconomic environment. South Africa has also been regularly acknowledged for the transparency of its budget procedures and according to the Open Budget Index of the International Budget Partnership, South Africa was ranked 3<sup>rd</sup> out of 102 countries in 2015.

In the same report, South Africa's ranking in the enforcement of property rights is seemingly remarkable, coming in at 24<sup>th</sup> place, which conventionally represents a significant role within wealth creation and the apparent efficient allocation of resources within an economy. However, as much as the importance of this element was asserted by the classical economist Adam Smith, he further surprisingly criticised its effect on inequality in his seminal work *The Wealth of Nations* wherein he stated: "Wherever there is great property, there is great inequality ... Civil government, so far as it is instituted for the security of property, is in reality instituted for the defence of the rich against the poor, or of those who have some property against those who have none at all." This is representative of a situation, based on our history, that we would expect and certainly, one that is not unfamiliar to the majority of the South African population.

Madam Speaker,

In terms of our attractiveness as a global investment destination, the World Economic Forum's Global Competitiveness Index 2015/16 further indicates that:

- South Africa has improved by two places in terms of its business sophistication environment and now stands at 33<sup>rd</sup> out of 140 countries;
- South Africa also stands at 50<sup>th</sup> out of 140 countries in terms of technological readiness, which is up 16 places from the 2014/15 index;
- Similarly, in terms of innovation, South Africa has improved by 5 places and stands at 38<sup>th</sup>; and
- In terms of financial market development, South Africa ranks 12<sup>th</sup> and is the most diversified on the continent, representing a significant achievement.

Madam Speaker,

To underscore the findings we have just articulated, many international companies have increased their investment in South Africa and expanded their operations here, with a number of these based in the capital of South Africa. These include investments from the following private sector companies:

- Mercedes has invested R2,4 billion.
- General Motors has invested R1 billion.
- Ford has invested R3,6 billion (based in Silverton).
- Metair Group has invested R400 million.

- Goodyear has invested R670 million.
- BMW, which is based in Rosslyn, has recently increased its investment by R6 billion.
- Nissan, also based in Rosslyn, has invested R1,1 billion in its plant.
- VW has increased its investment by R4,5 billion.
- Beijing Automobile International Corporation (BAIC) announced an investment of R11 billion in a vehicle manufacturing plant.
- Hi-Sense has expanded its South African operations and has recently started exporting to the SADC region from its South African base.
- Marriot Hotels has announced that it will increase its South African footprint.
- In addition, Starbucks, Dunkin Donuts, Krispy Kreme and Facebook have decided to set up office in South Africa.

On top of this, both Nissan and BMW have announced their intention to build a national grid to power electric and hybrid cars to expand sales in this area and promote greener motoring, which bodes well for South Africa in general, and Tshwane in particular.

Madam Speaker,

We are confident that the new Protection of Investment Bill, which aims to balance the rights and obligations of investors and government while also preserving the right of government to regulate in the interests of the public will contribute towards enhanced levels of investment in the country. The City of Tshwane is providing impetus to this national initiative through the implementation of its own Development Investment Incentives Policy, which aims to attract and catalyse investment in the Tshwane region through the provision of incentives to qualifying investment projects towards our endeavour of supporting economic growth and job creation. Since the introduction of the policy in July 2015, the City of Tshwane has approved more than R250 million worth of self-contained incentives to qualifying investments, implying that the City funds these incentives internally through the provisioning of rebates on property rates.

Further supporting our drive to increase investment in the capital, we hosted the very successful Tshwane International Trade and Infrastructure Investment Conference, known as TITIIC, in May of 2016, and meaningfully engaged with almost 30 foreign delegations, including the US, the Gulf states, China and Mauritius, in addition to numerous local investors. We remain confident that the leads generated from this conference will serve to propel Tshwane's development as envisioned by all residents of the capital.

Madam Speaker,

South Africa has a diversified economic base and an economy that offers world-class business services in areas such as information and communication technology, transport and logistics, and financial and professional services. We have strong and transparent public institutions and remain committed to responsible macroeconomic management of the economy.

New growth sectors such as oil and gas, metal engineering, capital equipment and agro-processing will be targeted for intensive government support across the country. We recently launched our Sustainable and Inclusive Growth Strategy, which

has implementation, monitoring and evaluation mechanisms. This aligns the focus of the City of Tshwane with the education sector, the business and diplomatic tourism sector and the agriculture and agro-processing sector, all of which are underpinned by compelling sustainability principles.

In order to ensure policy certainty and coherency, over the next budgetary cycle, all City of Tshwane policies, by-laws and expenditure plans will be subjected to a socioeconomic impact assessment before being passed, as directed by National Treasury in September 2015. Indeed, before September 2015, the City of Tshwane had already developed a socioeconomic impact assessment tool, utilising our own state-of-the-art Capital Productivity Model, which is aimed at evaluating all planned City of Tshwane capital expenditure by government as well as the private sector. However, we will expand this endeavour towards the development of qualitative assessments, including an analysis of the unintended consequences of all City of Tshwane policies, by-laws and other governance framework documents as well as expenditure plans.

Madam Speaker,

The City of Tshwane remains committed towards ensuring the programmatic implementation of the principles espoused by the Freedom Charter, which has informed Tshwane Vision 2055 and is our point of departure for the 2016/17 Budget Address.

We present the 2016/17 budget cognisant that it marks the mid-term of the City of Tshwane's first decade of game changing as expressed in Tshwane Vision 2055. We are also acutely aware that this occurs under difficult economic conditions in the country and throughout the globe. We are, however, mindful of the need to remain committed to the declaration we made in Tshwane Vision 2055, namely to "consolidate the gains of democracy and tackle the triple challenge of unemployment, poverty and inequality" this decade. We can confidently confirm that throughout the current term of office, our resource allocations, programmes and policy positions hinged steadfastly on this commitment, and despite a multitude of challenges, we succeeded in many respects. Our resource allocations, for the 2016/17 financial year, have been informed by carefully developed and detailed plans for each of the six outcomes espoused in Tshwane Vision 2055.

Madam Speaker,

Over the current term, the City has made an investment of approximately R20 billion in capital expenditure and we have consistently spent in excess of 93% of this budget. The distribution of our capital budget over the Medium-term Revenue and Expenditure Framework, also known as the MTREF, signals significant levels of investment towards radically reconfiguring our spatial form, thereby contributing towards propelling the levels of inclusive growth required to alter the trajectory of our urban economy. The largest component of our capital budget is allocated to key infrastructure areas, predominantly supporting economic infrastructure in the transport, energy, water and sanitation areas while still supporting the eradication of Tshwane's social infrastructure backlog, for example through allocations towards housing and human settlement programmes. On average, this investment, in its totality, constitutes almost 82% of the MTREF.

An analysis of our expenditure indicates that approximately R717 million is spent on what we refer to as the urban core, which includes the capital's township areas, amounting to approximately 20,6% of our total budget in the coming financial year. The comparative spending analysis of the 2016/17 capital budget further indicates that the majority of the urban core expenditure is allocated to Soshanguve with an allocation of R407 million, or 57% of our capital budget, followed by Mamelodi at R101 million, or 14%. The Atteridgeville and Refilwe urban cores receive approximately the same amount as the third largest capital expenditure areas, that is R55 million or 7% of the City's capital budget.

Madam Speaker,

The budget as presented today provides for a positive cash position, totalling R3,1 billion at the end of the 2016/17 financial year, which figure will escalate to approximately R7,2 billion by the end of the 2018/19 financial year.

Over the last MTREF, our total revenue, excluding capital transfers, was R71,6 billion and within the next three-year cycle, we expect the City's revenue to grow to R96 billion, constituting an increase of 34% as compared to the past three years. The financial stability of the City also depends on our ability to effectively levy rates and taxes, which is underpinned by our efficient collection thereof, the details of which we will outline within this seminal address. In this regard, we expect our collections rate to improve to 96% over the next cycle, based on the major strides we are making within the domain of revenue management, as articulated in the recent State of the Capital Address.

Madam Speaker,

In terms of total operating expenditure, we spent R73,9 billion over the past three years, and in the next MTREF, the City's operating expenditure is projected to be R90,5 billion.

The 2016/17 financial year presents an expenditure plan of approximately R32,8 billion, which includes an operational budget of R28,3 billion and a capital budget of R4,5 billion. The capital investment over the MTREF will be approximately R12 billion, which includes grant funding and borrowings in addition to our own funding. In addition, our capital investment represents an 11% increase in comparison to the 2015/16 financial year.

Madam Speaker,

The juxtaposition of our investment choices against the spatial landscape boldly reflects our efforts to dismantle the structure of an inefficient city form and create one that better reflects the elements of liveability, resilience and efficiency. Our public transport interventions, human settlement location choices and the general approach to mixed typologies, high-density development patterns facilitated through our spatial development frameworks and planning scheme have combined to create an increasingly efficient city form that undermines the spatial injustices of the past as we transform Tshwane into the embodiment of the Freedom Charter as the principal guideline document that inspired the development of Tshwane Vision 2055.

*1. Accelerating radical economic transformation within the capital*

Madam Speaker,

With respect to Outcome 2 of Tshwane Vision 2055, which concerns the development of a growing economy that is inclusive, diversified and competitive, we have made good strides in carving the path towards the realisation of continuous economic growth in the country's capital. The City's Sustainable Inclusive Growth Strategy was approved by Council in April 2016 and through the adoption of this significant inclusive economic growth path, we have studied economic trends, learnt from the best practices of international peer cities and, most importantly, we have selected three key economic sectors that will boost our growth and development.

*(i) Connectivity and inclusive growth*

Madam Speaker,

As articulated in the 2016 State of the Capital Address and indeed within our previous addresses, the importance and significant impact of the TshWi-Fi project cannot be accentuated enough. In this regard, we now boast in excess of 776 TshWi-Fi zones, resulting in Tshwane having the largest Wi-Fi network on the African continent, not by our own affirmation but according to the international research firm, BMI-T. In order to continue our commitment towards ensuring that universal digital connectivity is treated as a basic and fundamental human right, the capital will invest approximately R100 million in the coming financial year. We also emphasise our commitment towards the roll-out of broadband within the capital, which will facilitate the installation of fibre networks to far-outlying areas of Tshwane. In the outer years, subsequent to that of the 2016/17 financial year, the funding for TshWi-Fi will emanate from the roll-out of the broadband project, which is an off-balance sheet transaction with the City of Tshwane entering into an offtake agreement with the appointed service provider to be implemented through a public-private partnership.

We will continue to mainstream a number of initiatives and serve as the continent's, if not the globe's, beacon of excellence within the space of universal digital connectivity and otherwise, that will indeed demonstrate what is truly implied by the creation of a smart city!

*(ii) Economic infrastructure to propel our capital of the future*

Madam Speaker,

We have pronounced on the City of Tshwane's commitment in relation to our recognition of the correlation between infrastructure provision and economic and inclusive growth. In this regard, we are pleased to announce that, in the 2016/17 financial year, in addition to investing R1,5 billion in repairs and maintenance across the areas of roads, water and electricity, the City of Tshwane will spend in excess of R210 million towards new energy bulk infrastructure as well as new electrification connections. With regard to water and sanitation, we will be investing in excess of R1,5 billion over the MTREF towards reservoir extensions, the

replacement and upgrading of bulk pipeline infrastructure, the refurbishment of water networks and the development of the City's waste water treatment works.

In addition, the refurbishment of our power stations as well as the expansion of the Roodeplaat and Rietvlei dams will be funded as off-balance sheet transactions, with the City committing to entering into off-take agreements with the successful bidders.

*(iii) Accelerating skills development and job creation*

Madam Speaker,

The main reason for township upgrading is that our people have a fundamental right, as enshrined in Chapter 2 of the Constitution, to live with basic dignity and in decent conditions. Townships are being transformed from a position of mere labour reserves. Over time, the shack becomes a house, the house becomes a township, the township becomes a suburb and the suburb becomes a hub of economic activity, culminating in the building of a city. Cities are designed and constructed in the manner that they are funded – a seemingly simple yet deeply profound statement.

We have outlined in detail in the 2016 State of the Capital Address some of our core initiatives aimed at ensuring the industrialisation of our townships. In this regard, we will invest R50 million in the 2016/17 financial year, with a total amount of R100 million over the MTREF, towards the construction of a Business Process Outsourcing Park in Hammanskraal. We will also invest R22,3 million towards the development of a brickmaking facility, the inner city informal trading market and the Tshwane packaging facility over the same period.

In the 2016/17 financial year, we will, amongst others, facilitate 21 500 EPWP opportunities, which constitute the most critical poverty alleviation instrument for the poorest within our communities. Subsequently, we will invest R168 million towards the capital's EPWP in the 2016/17 financial year and a total of approximately R430 million towards this intervention over the MTREF period.

Madam Speaker,

It is well-known that cities and, indeed, countries with a vibrant entrepreneurial environment weather the magnitude and speed of global economic storms much better. It is notable that more than 25% of new entrepreneurs indicated that their businesses would create more than six jobs. If we wish to create 1 million new employment opportunities to achieve the baseline NDP targets, we need to create an environment that is conducive to ensuring the success of 150 000 new businesses.

Madam Speaker,

While we still have a long road ahead of us, we will continue to support the cooperatives that were recruited as part of the Tshepo 10 000 programme, which we initiated in the 2014/15 financial year, and will invest an amount of R52,9 million over the MTREF cycle. Approximately 245 of these cooperatives will receive training and development support in the 2016/17 financial year, while we will continue with our SMME development programmes through our injection in excess of R41,3 million in the 2016/17 financial year and in excess of R129,7 million over the MTREF period.

We will also begin to conceptualise methods to ensure the sustainability of Tshepo 10 000 cooperatives beyond support from the City.

Madam Speaker,

While perceived as only a social calamity, drug and substance abuse represents a dire economic crisis for the country. In this regard, the City of Tshwane's recently launched anti-drug and substance awareness campaign, *Tswa Daar*, meaning "leave it" or "stop it", is aimed at combatting the scourge of drug and substance abuse among the country's youthful population. We announced our commitment towards establishing community-based rehabilitation centres in partnership with NGOs and in this regard we will contribute R50 million in the 2016/17 financial year, and R150 million over the MTREF. We are confident that this intervention will contribute towards ensuring that Tshwane's young people are able to act decisively as our leaders of tomorrow and beyond.

## 2. *Reconfiguration of space in the capital*

### (i) *Towards the restoration of dignity for all*

Madam Speaker,

Just a few days ago, we launched the groundbreaking Lighthouse, an alternative housing building technology, announced in the 2016 State of the Capital Address, under our flagship housing programme, *Re Aga Tshwane*, which is aimed at expeditiously restoring the dignity of the poorest within our communities. We asserted that this house is fireproof and, indeed, just a few days ago, the fire demonstration on a Lighthouse constructed in Nellmapius Extension 24 confirmed this. Our communities came in large numbers to witness this innovation, carried out in partnership with the Department of Environmental Affairs, which is aimed at addressing issues of relevance to climate change, climate adaptation and the large-scale creation of job opportunities. In addition, we are proud that a shack constructed with the same material utilised to construct the Lighthouse was not affected by the fire, representing a significant game changer for our communities across the Tshwane region. In order to continue with the revolutionary *Re Aga Tshwane* programme, the City will invest R304 million during the 2016/17 financial year and a total of R561 million over the MTREF period.

Madam Speaker,

It must be noted that we are not merely constructing houses, but creating liveable human settlements. As such, within the domain of both our *Re Aga Tshwane* programme and our traditional human settlements programme, provision is made for social amenities, such as schools, clinics and other recreational facilities as well as business sites to stimulate job creation, together aimed at the realisation of sustainable human settlements.

In this regard, the Urban Settlements Development Grant, conventionally referred to as the USDG, is aimed at assisting municipalities to improve urban land development aimed at benefitting poor households.

We are delighted to announce that 1 830 housing top structures will be completed within Refilwe Manor, Zithobeni Extensions 8 and 9, Kudube Extension 9, Olievenhoutbosch Extension 60, Mamelodi Erf 29355 and the Fort West area.

In order to sustain this momentum, the City of Tshwane's gazetted allocations in this instance amount to R4,8 billion towards the provision of bulk infrastructure over the MTREF period in addition to the almost R538 million investment towards the restoration of dignity for all in the 2016/17 financial year. This includes significant land acquisition, the redevelopment of the Mamelodi and Saulsville hostels, the Townlands development in Marabastad, the construction of roads, the provision of sewerage networks and access to water infrastructure linked to our housing projects.

Madam Speaker,

Amongst the challenges confronting the City of Tshwane is the illegal invasion of land, which undermines sustainable service delivery and also places tremendous pressure on our existing resources as well as our ability to address various migration patterns confronting us. It is a fundamental challenge that affects our ability to address growing urbanisation and perpetuates various illegalities across Tshwane. The City will continue to deal with this matter in earnest, in conjunction with the three spheres of government, including law enforcement. It is a situation that must be arrested. The City's contribution towards combatting this illegality is represented by an investment of R90 million over the MTREF period.

Madam Speaker,

As for cemeteries, we are faced with severe shortages in burial space to meet the expected future demand. There are currently 92 formal cemetery sites in Tshwane that are 20 kilometres away from the majority of the population. Further studies will be conducted to shed light on the available land for future cemetery development and this will determine the quantum of burial space to be provided by the City. We do, however, recognise the need for an additional crematorium in the south-eastern part of Tshwane, which will be explored in earnest by the City.

While we announced in the recent State of the Capital Address that the new Klip-Kruisfontein and Tshwane North Cemeteries as well as the extended portion of the Ga-Rankuwa Cemetery are functionally ready for burial, we want to ensure that through our efforts the provision of burial facilities for all our communities is efficiently realised. As such, we will invest R60 million over the MTREF period towards the upgrading and extension of cemetery facilities.

*(ii) Sustainable mobility and integrated public transport*

Madam Speaker,

Cities are inhabited by residents and ensuring that we promote liveability must manifest in our investments made towards social and economic infrastructure through the development of safe public spaces in addition to the provision of reliable, affordable and efficient public transport. Investment in public transport infrastructure is critical in catalysing the reconfiguration of our urban fabric through unlocking development potential, thereby maximising the utility that residents derive from the efficient provision of infrastructure.

To achieve this, we have set aside a budget towards the continuation of the City's bus rapid transit system, *A Re Yeng*, as well as the construction and maintenance of roads across Tshwane in addition to the provision of non-motorised transport facilities.

In this regard, the Public Transport Infrastructure and Systems Grant will provide for the accelerated planning of the construction and improvement of public and non-motorised transport infrastructure and services, resulting in an investment of approximately R2,27 billion over the MTREF period. When combined with the City's investment in this regard, over R3,9 billion will be invested in transport infrastructure across Tshwane. In the 2016/17 financial year, this includes R12 million to upgrade Garstfontein Road, R21,5 million to ensure the enhanced efficiency of Wonderboom Airport, almost R370 million to address flooding backlogs across Tshwane, over R54 million to construct the Mabopane Station modal interchange and R750 million to expand the *A Re Yeng* system.

Madam Speaker,

The City of Tshwane decided to adopt a single common fare mechanism for both *A Re Yeng* and Tshwane Bus Services. Fare integration will allow commuters to use both services within a single journey, with a seamless transfer from one to the other made possible by the payment of a single fare for the entire journey. It is proposed that the current 2015/16 approved fares be maintained without adjustment, as we remain acutely aware of the pressures on the disposable income of Tshwane's residents, specifically in relation to public transport.

*(iii) Towards the creation of a sustainable and resilient capital*

Madam Speaker,

Aligned to our sustainability agenda for the capital, we have announced numerous programmes and have made great strides towards the realisation of a resilient and resource efficient city. This will, inter alia, be achieved through: (i) the exploration of landfill gas to produce compressed natural gas, that is, CNG; (ii) energy generation from our waste water treatment works by converting sludge into bioenergy; (iii) a solar farm in Bronkhorstspuit; and (iv) the retrofitting of municipal buildings with LED lights and solar street lighting in addition to other interventions.

Our landfill-gas-to-energy project is aimed at the development and installation of landfill-gas-to-energy facilities at the City of Tshwane's landfill sites to either generate compressed natural gas to be utilised as fuel for the City's buses or to be converted into electricity. This project will ensure that certified emission reductions are negotiated in order to generate revenue for the City. Our biomass interventions include the development and installation of a 4,5 megawatt biomass-to-energy plant. In this regard, a power purchase agreement will be entered into between the electricity supplier and the City. Further supporting our renewable energy interventions, the sewage sludge project will lead to the development and installation of sludge-to-biogas and sludge-to-synthetic-fuel facilities for the capital at our waste water treatment works, while our solar harvesting farm will entail the commissioning and implementation of a 20 megawatt solar plant to supply power to the electricity grid.

While the majority of these interventions are financed through various private sector partnerships, the City will invest R45 million over the MTREF cycle and allocate R15 million per annum in order to facilitate these programmes.

Madam Speaker,

While we have begun implementing plans to ensure that we address issues of waste in a sustainable manner, which includes the diversion of almost 50% of waste from landfill sites, we understand the need to excel at basic service delivery, such as household refuse removal. In this regard, the City has allocated R1,1 billion towards this endeavour over the MTREF period, which includes R350 million in the 2016/17 financial year. In addition, R43 million over the MTREF will be dedicated towards the increased provision of 240-litre bins.

Madam Speaker,

The provision of access to water is a fundamental and basic human right. In the 2016/17 financial year, a total of R383,5 million will be dedicated towards enhancing access to water and sanitation, the bulk of which will be dedicated towards the refurbishment of water networks and the eradication of backlogs across the capital. Our total investment over the MTREF is in excess of R1,5 billion. We will also support low-cost housing developments in and around Akasia and Soshanguve South in addition to supporting development within the far north of Tshwane through the provision of bulk water supply pipelines. The east of the city, including the far east, has seen rapid growth over the last decade, a situation that we envisage will continue. In this regard, we have made provision for additional capacity to support low-cost housing developments in the Mamelodi and Nellmapius areas.

Significant economic infrastructure that will be supported includes: additional capacity for the Forest Hill retail development, a new hospital and school as well as the Sunderland Ridge industrial area in addition to stimulating future expected growth within the Irene/Highveld area. In order to further support the trend of growth in the east, we will facilitate development in the area of Pretorius Park, Mooikloof Ridge and its surrounds, including the Garsfontein and Menlyn nodes. The nodes will be further supported by the planned installation of a hydropower system in the Menlyn area towards furthering our goals of resource efficiency.

Madam Speaker,

Towards ensuring the achievement of the capital's optimal energy mix, we outlined our interventions over the next five years in the recent State of the Capital Address. We subsequently allocated R1,4 billion or 32% of our capital budget in the 2016/17 financial year towards the provision of energy and electricity infrastructure. This includes new revenue-generating infrastructure in the form of distribution networks, providing increased household electricity connections. In addition, we will upgrade substations in Bronkhorstspuit and surrounds, Centurion and the south-west quadrant of Tshwane, which includes the Forest Hill and Monavoni areas, and the near east of the city, which includes Mamelodi and Hazeldean.

3. *Advancing social cohesion within the capital*

(i) *Enhancing the well-being of the capital's residents*

Madam Speaker,

The relationship between health and economic development can be measured by assessing the impact of health-related issues such as the rate of mortality, infant mortality, fertility, diseases and overall health in relation to their impact on human productivity. Human capital is one of the cornerstones of economic development, and any economy that is deficient in this vital component will suffer from related adverse effects.

Sustained growth depends on levels of human capital whose stocks increase as a result of improved access to education, higher levels of health and new learning and training procedures. In the absence of a labour force with the minimum levels of education and health, a country would not be capable of maintaining a state of continuous growth. There is growing literature affirming the role of health as a crucial component of the availability and quality of a nation's human capital and, thus, the health of our population is a centrifugal ingredient in attaining the levels of economic growth and development that we require as a nation.

Madam Speaker,

Results indicate that 50,8% of the population are within 2,5 kilometres of a primary healthcare facility, while 86,6% of the population are well within the national primary healthcare access standard of 5 kilometres. The average travel distance to primary healthcare facilities is 3,2 kilometres across Tshwane, and in total there are 78 fixed primary healthcare facilities across Tshwane, which are developed and managed by both the City of Tshwane and the Gauteng Province. However, due to capacity issues, many visits cannot be accommodated as expeditiously as possible and, indeed, this will be the focus of the City moving forward.

In this regard, we have allocated an amount of R117 million over the MTREF cycle towards health and social development initiatives, which include the upgrading of clinic dispensaries, the establishment of multipurpose development centres and the refurbishment of Rayton Clinic as well as social development centres in the Hammanskraal, Winterveld and Mabopane areas. In addition, our early childhood development programmes undertaken in conjunction with NGOs currently benefit in excess of 28 000 children. To further support this programme, the City has allocated an amount of R21,9 million over the MTREF, which includes more than R6,8 million in the 2016/17 financial year to support NGOs within this domain across the capital.

Linked to our interventions for ensuring a healthy and productive population, in order to support the operational requirements of our NHI ward-based volunteers, we have committed an amount in excess of R62,5 million over the MTREF and, similarly, our HIV/AIDS volunteers will be supported with an MTREF allocation of approximately R17,9 million. It is important to recognise that these programmes undertake to provide home-based care to the most vulnerable residents across the capital.

*(ii) Towards the creation of a safe and secure capital*

Madam Speaker,

Our commitment towards promoting social cohesion and creating a safe citizenry remains resolute. We will continue to promote and facilitate the creation of a safe and secure capital aimed at enabling residents to derive optimal levels of utility from residing in an urban centre. Indeed, as leaders of large urban areas, we are inherently obliged to serve all residents in this manner.

The City has 21 fire stations distributed across the seven regions of Tshwane, implying that we are able to respond in the unfortunate event of fire in all areas across the capital. Access to these facilities has improved over time and has protected household and business assets and, most significantly and in many instances, human life. Currently, 60,1% of the population are serviced by fire stations in Tshwane.

Similarly, there are 23 ambulance stations across the capital and we have increased our investment in equipping these stations through the augmentation of emergency vehicles and personnel. Our duty is to respond within 15 minutes to any emergency call in urban areas and within 40 minutes in low-density areas. Within the ambit of our existing capacity, we are currently able to reach 78% of the capital's population within 15 minutes and 99,6% of the rural population within 40 minutes. While we have seen substantial levels of improvement, we seek to continuously improve on this performance by investing in additional fire and emergency vehicles.

We will further equip our emergency services team so as to continue to execute effective disaster management with an allocation of R33 million over the MTREF period, which includes an allocation of R11 million in the 2016/17 financial year. This will include the renovation and upgrading of facilities across Tshwane in addition to the purchase of disaster risk management tools and equipment. From an operational perspective, the Emergency Services Department has been allocated an amount in excess of R1,9 billion over the MTREF period, with an allocation of R620,3 million in the 2016/17 financial year.

Madam Speaker,

The capital's police force, the Tshwane Metropolitan Police, has made great advances with more than 1 800 newly graduated metro police officers. However, our metro police service must be provided with the requisite levels of infrastructure capacity to be able to efficiently execute their expected duties and create a safe capital for all Tshwane's residents. In this regard, a total amount of R50 million has been allocated for purchasing various policing equipment, which includes an amount of R30 million in the 2016/17 financial year.

Furthering this commitment, we made an announcement in the 2016 State of the Capital Address in relation to the expansion and maintenance of the City's CCTV network. In this regard, we will spend R119,6 million over the MTREF cycle, including almost R38 million in the 2016/17 financial year.

The capital's metro police depots constitute an important feature in creating safer and securer communities, as residents are able to report the infringements of by-laws and other public nuisance incidents. There are currently 12 depots of this

nature, which are accessible to 79,6% of the total population within a 12-kilometre travel distance. Even with our achievement made in the realm of ward-based policing, we recognise that there remains a significant amount of work to be executed to ensure the safety and security of our residents. In the next five years, we are committed to continue to work with our communities to combat crime within the capital and, in this regard, we have identified our partnership with SAPS as being critical to reduce crime and promote safety. Our first step will include the provisioning of a TMPD desk at existing SAPS stations where citizens will be able to report by-law infringements as well as traffic-related matters, thereby enhancing the levels of integration within the various functions executed by the different spheres of government, ultimately aimed at ensuring greater convenience and the expeditious resolution of issues pertaining to crime prevention, safety and security for the capital's residents.

*(iii) Unleashing the energy and creativity of the capital's residents*

Madam Speaker,

Social development is, in part, facilitated through the provision of social infrastructure, such as sports facilities, libraries and community halls. We have deliberately invested in these facilities so as to promote liveability, thereby contributing towards education and learning, and ultimately fostering enhanced levels of social cohesion. The City of Tshwane currently has 45 community halls with a carrying capacity of almost 2,8 million, servicing almost 70% of our population within an 8-kilometre travel distance. In addition, the City's 58 libraries are hubs of knowledge and future innovation, while providing access to a plethora of heritage and historical resources. These facilities are accessible to more than 76,1% of the population within an 8-kilometre travel distance. We recognise that more than 500 000 people in Regions 1 and 6 of Tshwane are not within acceptable travel distances to libraries and our future plans seek to address this backlog. In this regard, we will contribute towards mitigating this imbalance through an investment of R10 million towards the development of a new library in the Ga-Rankuwa area in the 2016/17 financial year.

Madam Speaker,

The City of Tshwane is endowed with 256 sports facilities covering more than 918 hectares of land. Access to these facilities implies that communities, specifically our youth, are not left idle and are able to lead healthy lifestyles. Within a 5-kilometre travel distance, in excess of 87% of our population are able to access these facilities. These facilities include the smallest sports grounds and tennis courts to the larger integrated multipurpose sports facilities and stadiums across the city.

In order to increase the role of sports and recreational facilities in the development of all our communities, we will be investing approximately R192,3 million over the medium term, which includes an allocation of R68,2 million in the 2016/17 financial year. By the end of the 2016/17 financial year, the residents of Olievenhoutbosch and Lotus Gardens will benefit from the social amenities embodied by the creation of multipurpose sports facilities. The Refilwe Stadium upgrade will also be completed in the coming financial year, while the Ekangala Stadium will benefit from major upgrades in the 2017/18 and 2018/19 financial years, through a total investment of

R60 million. In addition, residents across Tshwane will benefit from the greening of sports fields from an allocation of R70 million over the medium-term period.

Madam Speaker,

As we outlined in our Sustainable Inclusive Growth Strategy, tourism has been identified as a priority growth sector in Tshwane. Tourism is now the third-largest contributor to global GDP and employs more people than the automotive, mining and financial service sectors. It is within this context that we committed to hosting the Tshwane Open, which has placed the capital of South Africa on the map for international and local tourism. As indicated in the 2016 State of the Capital Address, we remain committed to hosting the Tshwane Open Junior Tournament in 2017, thereby contributing towards bringing the seemingly elitist sport of golf to all groups in our society through the promotion of the sport amongst our previously disadvantaged communities. The Tshwane Open will therefore be presented in the next three years and has received an allocation of R120 million over the medium term, amounting to R40 million per annum from the 2016/17 financial year.

Madam Speaker,

We cannot complete this address without acknowledging the capital's residents, who have excelled in the realm of sports across the country. In this regard, we wish to congratulate Ms Caroline Wöstmann, a Tshwane resident, who became the first South African woman in 14 years to win the prestigious 2015 Comrades Marathon; this after winning the Two Oceans Marathon earlier in 2015. Ms Wöstmann is the second South African woman, after Frith van der Merwe, in 1989, to win both the Two Oceans Marathon and the Comrades Marathon in the same year.

We also acknowledge Ms Charne Bosman, another local resident, on clinching the second position at the 2015 Comrades Marathon. It was the first time since 1993 that two South African women finished in the top two positions. We wish the city's stars and other participants from across the capital the best of luck for this year's marathon on Sunday, 29 May 2016.

#### *4. Engendering excellence through good governance within the capital*

##### *(i) Towards improving fiscal prudence within the capital*

Madam Speaker,

We must ensure that the City of Tshwane is able to deliver on its developmental priorities and commitments. In this regard, it is of the utmost importance that the capital's administration is well capacitated and able to respond to the changing technological landscape, ultimately aimed at the timeous and efficient delivery of services to all residents. This undertaking must be anchored in prudent and sustainable financial management with the overarching aim of improving the quality of life of all citizens. We are committed towards implementing plans that support Outcome 5 of Tshwane Vision 2055, which envisions the realisation of an African capital city that promotes excellence and innovative governance solutions.

In part, this is manifested by the unqualified audit that the City of Tshwane has received for five consecutive years during the current term of office, and our focus

over the next five years will be to maximise our revenue generation through enhanced internal efficiencies as well as the identification of alternative revenue sources.

Madam Speaker,

Further demonstrating the City of Tshwane's prudent financial management is that our credit rating for the 2014/15 financial year has not been downgraded in relation to the City's profile of the previous year according to the ratings agency, Moody's. Our latest rating represents the strongest ability to repay short-term senior unsecured debt obligations relative to other domestic issuers.

As informed by prudent fiscal management towards ensuring investor confidence, the City of Tshwane is budgeting for a surplus of R1,9 billion in the 2016/17 financial year. The 2016/17 MTREF provides for a net increase in cash of R1,1 billion, resulting in an overall projected positive cash position of R3,1 billion at the financial year end. The City's financial viability indicators are expected to improve over the medium term, with most of our financial ratios expected to fall within the required benchmarks and ultimately improve the City's credit rating. Of central concern to credit-rating agencies is the ability of the City to meet its financial obligations.

Madam Speaker,

The City of Tshwane's current ratio is expected to improve from 0,72 in the 14/15 financial year to 1:1,50 over the medium term. The current ratio measures the ability of the City to pay its current liabilities from its current assets. Furthermore, the City's debt-to-revenue ratio is expected to improve to 43%, which measures the percentage of revenue committed to long-term debt, and it is evident that the City is well on its way to reaching the acceptable norm of 50%. In addition, provision has been made within the MTREF for the creation of a sinking fund aimed at further instilling confidence in our investors that the City will be able to repay its long-term bonds on maturity.

We have further recognised that to deliver on the many areas identified in Outcomes 1, 2 and 3 of Tshwane Vision 2055, specifically in relation to funding our sustainability agenda and our sustainable inclusive growth strategy, we will need to conduct our business in an innovative manner if we seek drastically different outcomes going forward. In this regard, we are pursuing a number of partnerships with various stakeholders towards the identification of alternative funding instruments.

Madam Speaker,

Central to maintaining sound fiscal principles and achieving the levels of growth and development that we collectively desire is maintaining the financial viability of the City of Tshwane. Revenue generation is the fundamental anchor in strengthening our institutional environment towards the delivery of basic municipal services, while acknowledging the challenge presented by our current macro and microeconomic environment. This situation further reinforces the need for a radically altered economic growth trajectory by ensuring the diversification of dominant sectors as well as the facilitation of identified new high-growth sectors, which will result in the expansion and diversification of ratepayers in Tshwane. The success cycle has essentially to do with the fact that the City of Tshwane requires revenue growth or

sufficient monetary capacity, especially within the context of rapid urbanisation, to effect its long-term objectives, which will incontrovertibly lead to the creation of a growing economy that will result in an increased level of prosperity for all as well as, once again, revenue growth for the City. This is a cycle that we wish to perpetuate.

The proposed 2016/17 operating revenue amounts to R30 billion and escalates to R34,2 billion in the 2018/19 financial year, representing an increase of 13% against the 2015/16 adjustments budget. Further supporting the City's revenue enhancement initiative is the appointment of the globally respected consulting firm, Accenture, who will continue with the capital's roll-out of smart meters. Within the next two years, it is expected that all consumers will be on smart prepaid meters, thus enhancing the City's levels of fiscal sustainability.

Madam Speaker,

Furthermore, as good stewards of the City's resources, the projected increase in revenues in the medium term did not deflect us from the need to protect our revenue and to redirect it towards the enhancement of services to our people. To that end, we have overhauled the management of our property portfolio and conducted an assessment of our personnel office accommodation expenditure, which has been one of our major overhead expenditure items in the past. In the 2015/16 financial year, the City was to spend over R250 million in leased office space to accommodate over 4 500 staff members. If left unattended, this figure, when projected over the medium term, would breach the R900 million mark.

Tshwane House is soon to be completed and its occupation will occur by February 2017. This intervention, when coupled with innovative space utilisation standards to be implemented by the City, will significantly minimise our expenditure per person with respect to office accommodation. This will generate savings for the City of over R170 million per annum in the short term. In the medium term, the City will explore ways to completely exit the office space lease market in favour of developing and occupying our own buildings.

Furthermore, our residential and commercial lease review project is expected to significantly enhance the revenue collected from the City of Tshwane's property portfolio. Based on the current successes achieved on this project, we anticipate an increase in revenue of between R20 million and R70 million per annum in the immediate term. In the medium term, these revenues are expected to breach R100 million per annum, thus converting the City's property portfolio from a deficit into a significant surplus.

Madam Speaker,

Ethics and integrity are core values in the prevention of fraud and corruption and must be imbibed by all civil servants. A civil servant cannot simply be represented by an individual who benefits from the gainful employment by government and, in some cases, as a steward of neopatrimonialism. Indeed, it is more than that – civil servants must espouse a true commitment towards the development of a nation, beyond that of mere financial gain, while acknowledging that the latter will always be important towards individual well-being. This is something that must not and cannot be perceived as a mere Utopian ideal. Our current state of affairs has inextricably

resulted in an urgent need for radical change to avoid a situation in which our endeavours to create more inclusive economic systems become a mere mirage of wonderful objectivity. We wish to assure those civil servants who perceive their role in the state as such that they are to expect a rude awakening over the next term of office.

Madam Speaker,

A key pillar of this path concerns the execution of the most efficient allocation of government funds, which has a direct bearing on our revenue generation and the promotion of transparency. In this regard, it is critical that the City's administrative processes and procedures, both internally and in relation to the services provided to residents of Tshwane, evolve in line with global technological dynamics. Over the MTREF period, we will spend R435,2 million towards creating a truly smart city, not merely limited to innovations within the ICT space, but also including the mainstreaming of smart city initiatives across all functions of the City. This includes investment in the following initiatives: (i) the state-of-the-art e-procurement solution; (ii) the expansion and maintenance of the e-Tshwane platform; (iii) the development of a credit control solution for the City; and (iv) various other e-initiatives supporting the advancement of our future Tshwane.

Importantly, towards ensuring good governance as announced in the recent State of the Capital Address, the City's tendering system will be open to the public from July 2017. In this regard, our communities in Tshwane and the general public will be welcome to witness the City's evaluation and adjudication processes up until such time that the award of a tender is made.

In addition to the details of our revolutionary e-procurement system and the establishment of a cyber forensic investigations unit, as previously committed to, the City has partnered with the Ethics Institute of South Africa to further promote and entrench an ethical culture within the City of Tshwane. The project includes: (i) an anti-corruption capacity audit; (ii) an organisational ethical culture assessment; (iii) an ethics risk assessment; and (iv) the provision of an ethics training and certification programme for all councillors and employees. We will lead in this regard as the capital of South Africa!

Madam Speaker,

Directly linked to ensuring the efficiency and effectiveness of optimal government expenditure is the containment of employee-related costs. Within the City, this figure currently stands at 26,8% and is well below the National Treasury benchmark limit of 30%. The South African Local Government Bargaining Council entered into a three-year collective salary and wage agreement for the period July 2015 to the end of June 2018. In this regard, for the 2016/17 and 2017/18 financial years, salary and wage increases will amount to average consumer price inflation, or CPI, plus one percent. We will continue to closely monitor employee-related costs against established norms and standards.

Madam Speaker,

While we have pronounced on the tremendous financial burden placed on the City by the 2011 incorporation of the municipalities of Metsweding, Kungwini and Nokeng Tsa Taemane, we deem it necessary to re-emphasise this.

In this regard, as stated in the 2016 State of the Capital Address, “the City has had to budget and pay an additional amount of R4,5 billion on operational expenditure and R1,3 billion on capital expenditure. This does not include a payment of R125 million made on the date of incorporation to vendors who had not been paid as well as a non-performing debtor’s book of R520 million, of which R420 million was later written off by the City in 2014.” We remain resolute about our commitment to pursue all applicable legal means to resolve this matter.

Madam Speaker,

Turning to what all residents have been eagerly awaiting is the City’s proposed increases in tariffs for the period under consideration:

The proposed tariff increases for the 2016/17 financial year are summarised as follows: (i) The sanitation tariff will increase by 12%; (ii) the refuse removal tariff will rise by 10%; (iii) the water-related tariff will escalate by 12%; (iv) the electricity tariff will increase by an average of 9,5%; (v) and the property rates tariff will escalate by 10%.

Madam Speaker,

It is critical to note that tariffs are affected by a multitude of factors, including external factors, such as the impact of inflation and other input costs as well as increases in the bulk purchase accounts of Rand Water and Eskom, which have indeed increased beyond that of inflation, at 7,85% and 11,9% respectively. We remain unapologetic about the fact that poor households must have access to basic services, albeit through direct or indirect methods of subsidisation.

In this regard, the City offers relief to indigent households in the form of: (i) an exemption from the payment for refuse removal and property rates, irrespective of the value of the property; (ii) a rebate of 100 kWh of electricity; and (iii) 12 kℓ of water. The City subsidises each indigent household per month with an amount of more than R560, thus equating to a total subsidy package of R849 million per year, on average.

Madam Speaker,

As at March 2016, and over the current term of office, the City has registered 42 343 indigent households and currently has a total indigent register of almost 129 000 indigent households. Various indigent exit programmes, through our poverty alleviation interventions, have been implemented and, as at March 2016, a total of approximately 11 300 indigent households have exited the indigent register.

In addition, pensioners and people with physical and mental disabilities qualify for rebates subject to the City’s policy in this regard.

It must also be emphasised that with respect to the levying of property rates, as a relief to residents, the first impermissible R15 000 plus the following R60 000 on all residential properties granted by the City are not taxable and refuse removal charges are based on the volume of refuse removed linked to the container size.

Madam Speaker,

As has become tradition in this address, we now outline various scenarios to give expression to the actual reality represented by our tariff increases in terms of the monetary effects exerted on the disposable income of our residents:

*Scenario 1:*

If your property is valued at R300 000 and you are consuming, on average, 350 kWh electricity and 20 kℓ water per month, your total average municipal bill is currently R1 095,00. Taking proposed tariff increases into account, your total average municipal bill will reach R1 196,61, equating to an approximate increase of 9,2% or R101,02.

*Scenario 2:*

If your property value is R700 000 and you are consuming, on average, 850 kWh electricity and 30 kℓ water per month, your total average municipal bill currently amounts to R2 600,18. With tariff increases, your average municipal bill will reach R2 853,24, representing an average increase of 9,7% or R253,00.

*Scenario 3:*

If your property is valued at R1 million and you are consuming an average of 1 500 kWh electricity and 50 kℓ water per month, your total average municipal bill is currently R4 365,37. As for proposed tariff increases, your average municipal bill will amount to R4 796,96, which is representative of an approximate increase of 9,9% or R431,58.

Madam Speaker,

Our next set of scenarios represents examples of increases based on actual City accounts, without, of course, naming the residents concerned.

*Scenario 4*

A resident in Laudium with a property value of R530 000 and who consumes, on average, 380 kWh electricity and 14 kℓ water per month, currently has a total average municipal bill of R1 349,78. The resident will now receive a total municipal account of R1 475,48, which represents an average increase of 9,3% or R125,70.

Another real example is a resident residing in the Karenpark area with a property valued at R775 000, whose residence consumes on average 298 kWh electricity and 10 kℓ water per month. This household's total average municipal bill is currently R1 354,22 and when accounting for proposed tariff increases, the household concerned will now receive a municipal bill of R1 481,97, which is representative of an average increase of 9,4% or R127,75.

Madam Speaker,

Waste removal service tariffs based on the collection of waste of a 240-litre bin will increase from R214,88 to R236,36, representative of a R21,48 increase in all scenarios presented today, while the cost for an 85-litre bin will increase from R76,10 to R83,71, representing an increase of R7,61.

Madam Speaker,

The 2016/17 draft budget, our Integrated Development Plan and proposed tariffs for the 2016/17 financial year were considered by Council on 24 March 2016 for public consultation. We appreciate the input received from our residents and stakeholders across the capital, as this has assisted us in restructuring both the budget and the Integrated Development Plan. While the totality of needs expressed by communities across the capital could not be accommodated in the 2016/17 financial year, we wish to assure our residents and stakeholders that we are exploring mechanisms to accommodate these needs, insofar as possible, over the medium-term period.

Madam Speaker,

That then is the sum total of our 2016/17 budgetary allocations whose principal goal remains a concerted onslaught on the triple challenge of inequality, poverty and unemployment. In it we have assiduously attempted to strike a delicate balance between the stark realities of our national and local economic performance on the one hand, and the social and developmental imperatives as spelt out in the National Development Plan and Tshwane Vision 2055 on the other hand. The guiding principles of this planning philosophy help us to proficiently navigate the vicissitudes of our economic reality during the course of the imminently closing term of office. Thanks to the insights of this approach we have been able to manage the common affairs of the residents of the capital city in a way that facilitated the judicious deployment of our collective resources. It is the dexterity emanating from this that accounts for the stable equilibrium that characterised our financial and delivery record during the term under consideration.

Madam Speaker,

Taking place during what can be typified as an interregnum, the 2016/17 budget stands as a mid-point between the ending term of office and the pending new one. As an intermediate phenomenon, it constitutes a culminating point for the old term while at the same time it signifies the beginning of a new one. Naturally, this budget will contain elements of continuity as well as change.

From the point of view of continuity, this budget represents the consolidation of the best practices that propelled service delivery and deft deployment of our collective resources to the benefit of all the people of the capital city. It deepens the sterling work on the accelerated roll-out of social and technical infrastructure to rid our city of all the social ailments of the past and institutes an order that recognises all citizens irrespective of their skin colour, religious belief, economic status or educational standard.

From the point of view of change, this budget represents a remarkable shift of focus in that henceforth we will be planning and executing our programmes in pursuit of the ideal of One Nation, One Capital, One People. We are also, in this budget, announcing a set of measures that minimises the shortcomings of our programmatic systems and maximising their strengths as revealed in the foregoing years. As for these and previous exertions, we have not a single shadow of doubt that the process of change in our capital city has reached the point of irreversibility. It is palpably obvious, even upon a perfunctory glance, that indeed ours is a city environment whose homily and social texture have changed for the better for all!

Madam Speaker,

These demonstrable and unmistakable facts are a living testimony that we have indeed served our people remarkably, dependably, excellently, judiciously and prudently. This is mainly because we understood perfectly well what the greatest humanist of the 20<sup>th</sup> century, Mahatma Gandhi, meant when he said:

*“The best way to find yourself is to lose yourself in the service of others.”*

So profound was the substance of this message that we find the same sentiment echoed almost verbatim by the laureate and towering intellectual of his time, the late Professor Es’kia Mphahlele, who said:

*“In whatever service you render to humanity the self-fulfilment you find should at the same time be your community’s own fulfilment in you.”*

Such insights and the army of dedicated men and women in our administration inspired us to scale luminous summits in our endeavour to accelerate transformation and social change in our city. Throughout the course of the ending term of office, we made excellence of service and meticulous performance of our duties enduring habits and not just ephemeral exertions to be undertaken in pursuit of performance bonuses and such rewards.

Madam Speaker,

It is on these bases that we look forward to the impending term with much anticipation and optimism. We are, more than at any time before, convinced that we are on an inexorable march towards that ideal of an inclusive, liveable and resilient city as contemplated in our fundamental vision statement – Tshwane Vision 2055.

We remain obdurate in our resolve to ossify the foundational pillars of our endeavours to cultivate the finest traditions of quality, superiority and distinction in discharging our commitments to our people! Our efforts in this ending term make us to truly believe that indeed one day the capital city will be synonymous with the fountainhead of excellence in which the ideals of inclusivity, liveability and resilience reign supreme!

I thank you!