

**TENTH CITY OF TSHWANE BUDGET VOTE BY THE EXECUTIVE  
MAYOR OF TSHWANE, DR GWEN RAMOKGOPA, COUNCIL  
CHAMBER, 20 MAY 2010, AT 10:00**

**Theme: Reaffirming the Freedom Charter 55 years on**

The Speaker, Cllr Smangaliso Mkhathshwa;

Chief Whip of Council, Cllr Terence Mashego;

Members of the Mayoral Committee;

Leaders of Political Parties;

Councillors, in particular newly elected Cllr Marobane of Ward 74;

Acting City Manager and Officials of the City of Tshwane;

Residents of Tshwane;

Members of the Media;

Honoured Guests;

Ladies and Gentlemen;

Dumelang!

As we count down the 21 days to the FIFA spectacular, we also say  
"Feel it, it is here" – Afrika ke nako!

It is my single honour to present to this house, the Council meeting of  
the City of Tshwane, the Integrated Development Plan, the Medium-term  
Expenditure Framework and the budget for the 2010/11 financial year.

We meet today fresh from hosting a successful 11<sup>th</sup> Gauteng Provincial  
Conference of the ANC under the theme "Unity, service and renewal – a

clarion call for action towards the ANC Centenary". While we fully recognise and respect the multiparty character of our democracy, we as the ANC remain humbled by the trust bestowed on our movement by the overwhelming majority of South Africans, especially those who in the words of Simón Bolívar are "ever hopeful of rescue" from poverty and underdevelopment.

It is in the context of this trust that we will continue to foster the unity of all South Africans behind our historic mission to liberate all our people, black and white, men and women, from all forms of oppression, discrimination and exploitation.

It is also in this context that we will continue to foster the unity and trust of all South Africans in line with the vision of the Freedom Charter in fighting poverty, creating decent living conditions and expanding the fruits of democracy and prosperity to all communities.

It is also in this context we will continue to foster the unity of all South Africans in line with our constitution to redress the imbalances of the past and to give every child and every youth an opportunity to develop optimally and to thrive.

Mr Speaker, as we prepare to celebrate the 55<sup>th</sup> anniversary of the adoption of the Freedom Charter next month on 26 June, we also affirm that South Africa and indeed Tshwane belong to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of the people.

Honourable Speaker, the operating expenditure budget of R50,3 billion relating to the Medium-term Revenue Expenditure Framework presented today is based on the mandate of our people given to us in this term, the inputs from communities, and stakeholders in the Integrated Development Plan and budget since August last year, as well as the Community and Business Satisfaction Survey.

We want to thank all residents who participated in the processes, including representatives of non-profit organisations, business, unions, the youth, women, people living with disability and the faith-based sectors. We also acknowledge the inputs and advice from various experts, especially from the universities and research institutions in the city that augmented the work of our management.

The operating expenditure budget of R14,8 billion for the 2010/11 financial year builds on the achievements we outlined in the State of the City Address and allocates resources to the priorities that we believe will unite us to extend basic services to more of our people. This budget will enable us to substantially break the back of poverty as we progressively extend quality services to all residents and create a business-friendly environment.

This budget also responds to the programme of making Gauteng a better place, as well as to the National Local Government Turnaround Strategy. We remain mindful of the need to take into consideration the merger of Tshwane and the municipalities in Metsweding for the two years of the medium term.

Despite the difficulties that we all faced in the past year owing to the impact of the global economic recession, we wish to thank all those who continued to pay for the services provided. We will continue to strive for excellence in our services as confirmed by the many service quality awards the City of Tshwane receives annually, for example the Blue Drop award for our water quality and the Green Drop award for our water treatment plants.

Honourable Speaker, we are proud to announce that over 58% of our budget is from own contributions.

The equitable share, including the various grants and the fuel levy over the medium term, amounts to R10 billion, with R3,2 billion set aside for the next financial year. We will use this budget to accelerate infrastructure development for basic services, mainly focusing on formalisation programmes and the eradication of backlogs in water, sanitation, electricity and roads.

Total operating expenditure has increased by 15,5% against the 2009/10 adjustment budget.

The capital expenditure will increase from R2,8 billion to R3,2 billion, which is 8,6% against the 2009/10 adjustment budget.

## Tariffs

Owing to the 28,9% increase in the Eskom bulk tariff and the latest Nersa determinations, the electricity tariff increase for consumers will be 19%. This increase will offset the additional bulk purchase costs that the City of Tshwane will incur.

The water tariff will increase by 10% in view of the Rand Water bulk tariff increase of 14,1%.

Waste removal will increase by 9%.

Sanitation tariffs will increase by 11%.

Property rates will increase by 10%.

The increase on municipal accounts varies between 9,7% and 14,8%, which is much lower than the municipal cost index which is at 15,5%.

Honourable Speaker, the Minister in the Presidency, Mr Trevor Manuel, said last week: "It is necessary to remind ourselves that beyond the temptations of the great and the grand new projects lies the responsibility to ensure that proper and regular maintenance of infrastructure is undertaken". Aligned to the best practices in preserving and maintaining current infrastructure, this expenditure framework has essentially catered for extensive growth in this area in line with the asset renewal strategy of the City of Tshwane.

Compared to the 2009/10 approved budget, the repairs and maintenance expenditure has increased by 13,1% from R1,6 billion to R1,8 billion and will increase to R2,1 billion in the 2012/13 financial year, an overall increase of 29,4% over the medium term.

We are breaking new ground and are going to leave no stone unturned with regard to the issue of housing. The Winterveld Urban Renewal Project has been funded to the amount of R34,5 million over the next three years, with R11 million in the first year. In addition, R31 million has been set aside over the medium term for the electrification programme. We also expect the Gauteng Provincial Government to add to this amount.

President Zuma said when addressing Members of the Executive Council and local municipalities on issues of housing and human settlement: "All the programmes put in place must ensure they restore the dignity, self-esteem and pride of the people." Honourable Speaker, today we are saying that the living conditions of all our people have to improve for us to realise the ideals codified in the Freedom Charter. As a developmental local government, we say "yes" to that.

With regard to the formalisation of informal settlements, R388 million has been set aside through the new concept of serviced stands. This programme will mitigate the delays in formalisation that are caused by the provincial housing programme. While people wait for houses, they will have the full benefit of being legitimate title deed holders, and on the stands the Municipality will be able to install basic services in various areas across the city.

The hostel conversion programme will benefit from the R56,7 million allocated to hostels in Saulsville and Mamelodi. These hostel complexes will each receive R18 million (2010/11), R18,9 million (2011/12) and R19,8 million (2012/13). In Mamelodi we currently face the challenge that the community has asked for a court interdict, but this will receive our immediate attention so as to achieve a win-win situation.

The Tshwane Housing Company remains an important vehicle that is fully owned by the Municipality for the advancement of our objective of providing affordable rental stock in the city. An amount of R40 million in the next financial year has been allocated among other things to finalise the upgrading of both Schubart Park and Kruger Park.

This amount will be directly allocated to the company and reflected in the budget adjustment. Through the Tshwane Housing Company, we will beef up our capacity to offer quality rental facilities as is currently the situation with the Eloff Building where the collection rate remains well above 90%. Our initiatives to upgrade other facilities such as Riverside will be accelerated.

Renovation of rental stock will continue to be a priority in the next financial year, including the refurbishment of Riverside in Eersterust, which has been budgeted for in the operational expenditure budget.

Comrades and compatriots, habitable and decent human settlements promote human dignity. The stability of our communities depends on it. In this financial year we will reaffirm this reality by pursuing the above priorities.

The Tsosoloso Programme has also been prioritised – the grant funding for the project is R38 million, which is currently being spent on the four quick-win projects identified through approved business plans, namely the Temba Community Hall, the upgrading of Olievenhoutbosch Park, Kumbayani Park and the Olievenhoutbosch Paypoint Centre.

The additional money received will deal with other nodes such as Eerste Fabrieke and Solomon Mahlangu precincts, including Denneboom.

Honourable Speaker, the ANC-led developmental local government is serious about safety. Having exceeded our target of doubling the number of Metro Police officers in the city, we will now focus on ensuring that they are well capacitated and equipped effectively to fight crime and promote safety in communities.

Refurbished and new offices have been provided to assist with visible policing. An additional R3 million for the 2011/12 financial year has been set aside for cameras and other speed-enforcement devices. The Peace Development Programme for volunteers is now functional and will help street committees and communities to support the police. Furthermore, this programme will help us in claiming some of the money through the Expanded Public Works Programme.

Over R33 million has been made available for new and refurbished firefighting vehicles. A community firefighters programme has been established that will be our flagship in the next financial year.

As we said in the State of the City Address two months ago, some of our state clinics in and around the city operate over weekends and after hours – it is important to mention at this stage that our clinics are accessible and are located within a reasonable distance from patients.

We have upgraded a number of these clinics and will continue to work with the provincial government to upgrade clinics in the north in particular. The construction of the Olievenhoutbosch and Stanza Bopape clinics will continue as planned.

In promoting healthy lifestyles, we have partnered with other stakeholders to strengthen the secretariat of the Tshwane Mayoral Aids Council. In this regard we wish to invite all leaders to join this body on 26 May 2010 in promoting the Know-your-Status Campaign. This event will be held at Burgerspark in the inner city. We also encourage our people to go for screening to test for other chronic illnesses such as diabetes, high blood pressure, cholesterol and cancer. We must work together to root out these diseases in our society.

Our commitment to care for our people has been strengthened through the early childhood development programme, and resources have been put aside to assist with this work. As we advance in making Tshwane a child-friendly city, we will continue to support crèches, particularly in poor communities. A comprehensive report to the Council on this matter will be tabled later. As we move towards Child Protection Week, which culminates on 1 June with International Children's Day, let us join President Zuma and the relevant ministers at the launch of the official new Child Act in Atteridgeville.

Honourable Speaker, we are serious about fighting poverty and underdevelopment. Our focus has been on ensuring that the exit strategy for indigent people is effective and yields the desired results. To this end, the indigent support package has been revised to cater for new needs and challenges. Therefore an amount has been set aside for the provision of services to the approved indigent households.

This social package assists households that cannot pay for services and are registered as indigent in terms of the Indigent Policy. Our target is to register 90 000 or more indigent households. An estimated R271 million will cater for basic services, mainly water and electricity, and R48,6 million of property taxes will be offset. In addition, minimal services will be provided to informal settlements while they are waiting to benefit from the formalisation programme.

## ***The people shall share in the country's wealth!***

The total capital budget equates to R9,5 over the medium term. An amount of R12 million is allocated in the capital budget to fund the call centre in the north, while R30 million has been allocated to fund phase one of the automated meter reading project. In addition, we will invest in economic infrastructure in partnership with the automotive industry.

The doubling of Simon Vermooten is one of the strategic and priority projects that are due for implementation.

A loan of R1 billion a year is currently factored into the 2010/11 MTREF. This amount will enable us to invest in economically productive investment projects. The debt to revenue ratio will remain below 40%, ensuring that our balance sheet remains strong.

As we promised, we will fund all the SMME training centres we announced at the State of the City Address. In addition, R8 million has been set aside to train 900 cooperatives so as to enable them to partner with the City of Tshwane on projects valued at R100 million.

The target groups to benefit will include indigent households, the youth, women, people living with disability and the unemployed military veterans of liberation movements. While the Extended Public Works Programme will continue, it will be linked to projects managed by various departments as well as the Cooperatives Development Programme.

An amount of R3,5 million has been allocated in the operating budget for the medium term to establish the Programme Management Unit/Office within the Office of the City Manager. This allocation will help strengthen ward committees and regional offices of the City of Tshwane to oversee projects at ward level.

An amount of R1,3 million has been allocated to the Agriculture and Environmental Management Department for the upgrading of the market trading system.

Contract management is a key driver of service delivery and plays an integral part in ensuring that the City of Tshwane executes its obligation towards the community as expressed in the Integrated Development

Plan. Hence a Contract Management Unit has been established and consultation with National Treasury is at an advanced stage.

A large portion of the capital budget totalling 86% has been allocated to strategic focus area 1, which is geared at providing infrastructure for quality basic services and ensuring growth in the 2010/11 MTREF.

***There shall be work and security!***

We promised in the State of the City Address that we will continue to limit the use of labour brokers in identified core functions in the City of Tshwane. I am pleased to report that over R175 million has been set aside to create new positions, commencing with the Waste Management and Transport Divisions of the Municipality.

As reported in the State of the City Address, a number of capital projects were identified in all five regions, showing an equitable distribution of the budget. The following projects are highlights:

NORTH WEST – capital budget of R652 990 million next year

- Establishment of the new Soshanguve Resort (Klip-Kruisfontein)
- Establishment of the new Soshanguve electrical depot
- Upgrading of Mabopane roads
- Upgrading of roads and appurtenant stormwater systems in Soshanguve
- Internal roads in the northern areas
- Upgrading of the Soshanguve Giant Stadium from 2010/11
- Completion of the Mabopane modal interchange project
- Development of the Klip-Kruisfontein cemetery
- Winterveld land management plan
- Electrification of Winterveld
- Upgrading of major stormwater systems: Klip-Kruisfontein
- Klip-Kruisfontein: Phase 3 of the bulk water supply reservoir
- Pipe reinforcement at the Klipgat, Mabopane and Winterveld reservoirs

EASTERN REGION: capital budget of R677 416 million next year

- Upgrade of Moretele Park
- Development of the Mamelodi hostel precinct in terms of the breaking-new-ground policy
- Upgrading of roads
- Completion of the self-catering chalet at Rietvlei Nature Reserve
- New Hatherley and Mamelodi substations and associated power line to Mamelodi

SOUTHERN REGION: capital budget of R464 584 million next year

- Extension of the Valhalla Reservoir
- Pierre van Ryneveld Reservoir and pipes
- Upgrading of Erasmia and Laudium electricity infrastructure

CENTRAL REGION: capital budget of R666 416 million next year

- Upgrade of the Ga Mothakga Resort
- Extensions to the Lotus Gardens Clinic
- Conversion of the Saulsville hostels

NORTH EAST REGION: capital budget of R733 319 million next year

- Suurman Library
- Hammanskraal Cultural Centre
- Babelegi Bulk Water Reservoir
- Provision of street lights
- Skill Centre in Hammanskraal
- Provision of water-borne sanitation

Honourable Speaker, allow me to specially congratulate a young African girl, Lehlohonolo Moche, sitting in the public gallery with her mother, Dikeledi Moche. Comrade Speaker, Lehlohonolo is a learner of Pretoria Girls High School who has been nominated as a Global Scholar representing South Africa at the Global Young Leaders Conference, which will begin in the United States in June 2010. Lehlohonolo was nominated by her teacher, based on her outstanding individual academic excellence and strong leadership potential.

The Honorary Congressional Board of Advisers has accepted Lehlohonolo's attendance of this prestigious conference on behalf of all of us. The conference gives learners like Lehlohonolo the opportunity to explore the diplomatic, social and economic lessons of the past, debate the policies of the present and prepare for a position of national and global leadership in the future.

To us, Honourable Speaker, Lehlohonolo represents what we have been saying all along: That the City of Tshwane is the City of Champions and Excellence.

Let me also take this opportunity to wish the Blue Bulls a successful semi-final in Orlando Stadium on Saturday and a possible final in the coming two weeks. We have no doubt that both Lehlogonolo and the Blue Bulls will make us proud.

Honourable Speaker, in conclusion, let us inform the house that yesterday we celebrated the hoisting of 32 flags at the eastern entrance to the city, symbolising all the countries that are taking part in the spectacle of the 2010 FIFA World Cup™ in which Tshwane is one of the host cities.

Honourable Speaker, as South Africans we have no illusions about the enormity of our task, particularly in the sphere of local government. The ideas of the Freedom Charter are gaining ground rapidly in South Africa. This is clear even from a superficial glance at the policies and programmes of the state. Consciously or unconsciously echoing the Charter (and increasingly it is consciously), the demands of different sectors, mainly the formerly oppressed, are being addressed in a swelling and harmonious chorus.

The African National Congress is soberly confident of its capacity to widen and deepen the political mobilisation and emancipation of the previously oppressed masses and democratic forces to the point where it becomes possible to transform the ideas of the Freedom Charter into an irresistible physical force. This is the challenge of the ANC in the 21<sup>st</sup> century and we will meet it!

In our tireless efforts to constantly widen and strengthen the unity of all the patriotic forces in our country, the ANC is guided by the spirit of the Freedom Charter because, as the people's charter, it is a touchstone of patriotism. While aiming at the utmost flexibility so as to combine all forms and methods of struggle against poverty and underdevelopment, the ANC also recognises that history has moved on since the Congress of the People in 1955, closing to us the peaceful path which then seemed open and obliging us to fight for total economic freedom for the previously disadvantaged majority.

Today, with the lessons of people's victories we have had since the dawn of democracy in 1994, we are filled with renewed inspiration and patriotism to take up the challenges of a mounting people's war against poverty and underdevelopment. All the signs are there that the year of the 55<sup>th</sup> commemoration of the Freedom Charter will carry us much closer to the sacred goals of the people.

As we move closer to the celebration of the Centenary of the ANC we are mindful that we need to join hands with all political parties and sectors to build unity and strengthen and renew our partnership to serve our people and to advance towards greater prosperity for our city, our province and our country. The ANC was established as the parliament of the people and we will continue to endeavour to be at the service of all our communities– black and white, men and women, young and old.

The City of Tshwane will partner with the Youth Development Unit to consolidate the work done so far on the city beautification and greening programmes. We will work with the Progressive Women's Movement and women and youth in agriculture to fast-track our food bank initiative.

We will also work with the Organisation of People Living with Disability to make their desk in the Office of the Executive Mayor functional.

Furthermore, we will consolidate and conclude our discussions with military veterans of all our liberation movements in pursuit of programmes aimed at their development, with a specific focus on the unemployed and destitute.

It will take effective and productive partnerships to achieve our ideal and goal of establishing a better Tshwane.

As we continue the countdown, today being 21 days before the defining moment, we as a city are confident to say to all South Africans and the world that we are indeed ready to host a successful, safe and memorable FIFA World Cup in our city.

I would like to personally appeal to all Tshwane's residents to take special care of all fifteen teams that will be based in our city or play here during the World Cup, and of all football supporters and fans coming from across the world. Remember that each one of us is a host, friend and supporter of this event.

Let us all be part of this experience, as the World Cup comes to a country once in a few generations. As residents of Tshwane and proud South Africans, let us unite behind our team, Bafana Bafana. This cup must and will remain in Africa – we are doing it for all our forebears, including Madiba!

Feel it, it is here – Afrika ke Nako!

The details of the budget will be presented by Ald Ernie Jacobson, Member of the Mayoral Committee, as he opens the budget debate.

I thank you!