

CITY OF TSHWANE

BUDGET SPEECH 2019

THEME: A budget focused on prioritising financial stability and sustainability to accelerate service delivery and inspire business confidence

Madam Speaker;

Leader of Council Business;

Chief Whip of Council;

Members of the Mayoral Committee;

Fellow Councillors;

Chief Kekana and Entourage;

Chief Mahlangu and Entourage;

Distinguished Guests;

Members of the Media;

Fellow yoke bearers, the City Manager and ALL the workers of the City of Tshwane;
and most importantly

The Resilient People of Tshwane:

Thobela!

Madam Speaker, without a doubt the people of Tshwane deserve the greatest value for money. As you would remember, I stood before you a few weeks ago during the State of the Capital Address and emphasised that this administration regards service delivery as its only priority.

Indeed, it is the only aspect that seeps into all corners of our community and seeks to improve the lives of our residents. Thus, the 2019/20 budget is all about how we plan to deliver efficiently, consistently and, most importantly, cost effectively. While our focus is on site and services to the benefit of the poorest of the poor, it will not be at the cost of sustainability.

Unapologetically so, I am pleased to present this pro-poor budget today. The budget impresses on our 28 000 employees and the suppliers and service providers contracted to the City to do all in their power to go back to the basics so that we can deliver services to the people of Tshwane – without any excuses.

Madam Speaker and Councillors, one thing is certain: The 2019/20 budget will deliver quality services within the available resources to ensure that the City remains financially sustainable.

Allow me to state the obvious: The Democratic Alliance is committed to clean governance and compliance with all applicable prescripts of the law with a budget that is premised on our determination to stabilise the City's finances.

The budget was prepared and guided by the following legislative requirements:

- It is based on realistic anticipated revenue.
- The levels of spending on the 2019/20 Medium-Term Revenue and Expenditure Framework (MTREF) are within the prescribed key financial measures/ratios as per MFMA Circular 71.
- It is funded as per MFMA Circular 42.
- The City's projects and programmes are within affordability limits.

The City commits itself to:

- Ensuring that current projects are completed before starting with new projects;
- Ensuring optimal use of resources by reviewing current activities for operational efficiency;
- Investing in repairs and maintenance and capital infrastructure; and most importantly
- Ensuring that the tariffs are affordable to poorer households and other customers while factoring in the financial sustainability of the Municipality.

This budget, like any other, is always a task that requires collaboration from all the City's departments, scrutiny of the MTREF and a closer look at Integrated Development Plans (IDPs) in order to be consolidated to address the needs of the people of Tshwane. It definitely is a delicate balancing act – and thankfully, we were up to the task.

I would therefore like to extend my appreciation to everyone who worked tirelessly to ensure that the numbers are collated and that this administration remains on track to achieve its goals.

Madam Speaker, it would be remiss of me if I did not acknowledge our Chief Financial Officer, Umar Banda, who was recognised last week as the Young CFO of the Year at the Deloitte CFO Awards. Indeed, we are a City that ignites excellence.

To deliver on the expectations of the people of Tshwane, this budget aims to answer the following simple but complex questions:

1. The people of this city know our strategic priorities, so what is next?
2. How are we going to address the new and persisting challenges?
3. What plans are in place to fund the IDP?
4. How are we going to ensure accountability and sustainability?

Madam Speaker, let me reiterate: It is imperative to note at this point that we are not an administration of impulsive changes that are geared to stir up false hope.

We are committed to exploring all possible avenues to ensure that whatever change we bring and whatever form of improvement we introduce, we do so in a manner that will yield long-lasting results. Be it job creation, poverty alleviation or redress – we are committed to sustainability in our solutions.

The DA-led administration is guided by the following five strategic pillars and priorities, which are fully incorporated into the IDP:

1. A City that facilitates economic growth and job creation;
2. A City that cares for residents and promotes inclusivity;

3. A City that delivers excellent services and protects the environment;
4. A City that keeps residents safe; and
5. A City that is open, honest and responsive.

Madam Speaker, I am well aware that I cannot present the budget of the City without first reflecting on the current economic status of the country.

South Africa's GDP growth slowed from 1,3% in 2017 to an estimated 0,7% in 2018. The medium-term outlook was weaker than projected in the 2018 Medium-Term Budget Policy Statement. Economic growth is expected to reach 1,5% this year and rise to 2,1% by 2021.

It is worth noting that the City's growth has been consistently higher than that of the country. In 2017, Tshwane was growing at 1,1% and fell to 0,9% in 2018. Our growth rate is estimated to rise to 1,75% in 2021. It is therefore important for us to maintain this trajectory.

As an administration that inherited a City that was in financial ruins and struggling to maintain its financial obligations back in 2016, we have done well to propel the City to positive heights. Currently, we are sitting with a positive cash position and we are projecting an operating surplus over the 2019/20 medium-term framework. Although this is a sign of good financial health, it definitely is not enough. We must aim for more!

Bear in mind that the surplus is not a result of underspending but of tireless efforts explored by this administration to ensure that the City does not only rely on state funds and borrowing but rather on markets themselves as a viable destination in order to attract investment, business and tourism.

We are improving in this regard and I am confident that we will continue to generate more funds to the betterment of our city and those who reside within our area of jurisdiction.

WHERE ARE WE?

The late Maya Angelou was once quoted as saying, “I have great respect for the past. If you don't know where you've come from, you don't know where you're going.” It is in this spirit that I present the budget today.

Madam Speaker, perhaps before I dwell on my reflections, allow me to congratulate Mamelodi Sundowns Football Club for winning the 2019 Premier Soccer League. Undoubtedly so, Tshwane is not only the capital but we are the real “home of champions”. Well done Masandawana! You are great ambassadors of our city.

Now let us focus on a brief examination of where we come from, where we are and where we are going as a City. This is done while understanding the importance of a vision and an end goal that is service delivery and sustainability, and that is where our primary focus is grounded.

In my State of the Capital Address I made mention of the fact that this administration champions all aspects of transparency. In doing that, we mention the good along with the shortcomings, as it is the only path that is guaranteed to lead to success.

We have had numerous successes since taking over government back in 2016, but we have also had to deal with challenges. In the interest of transparency I will mention the major challenges that this budget seeks to address.

CHALLENGES

- Currently, the City is facing an infrastructure backlog (roads, storm water drainage, electricity and water provision) in Region 1, 2, 5 and 7.
- We also need to improve infrastructure maintenance in Region 3, 4 and 6.
- The poverty levels are at alarmingly high rates.
- The townships are experiencing high crime rates.
- The increasing rate of drug and alcohol abuse is worrying.
- There is a need for recreational facilities such as libraries, sports facilities and parks.

- Stats SA's Quarterly Labour Force Survey reported that the unemployment rate that was sitting at 27,1% at the end of 2018 has now risen to 27,6% and, unfortunately, youth unemployment accounts for 55% of this gloomy statistic.
- Cable theft continues to hamper business sustainability, which unfortunately impacts negatively on the City's ability to generate more revenue.
- The City has not reached its investment potential – we need to cut overreliance on borrowing and grants.
- We must also admit that we are struggling with the collection of revenue – the onus is on us to educate the public about the importance of paying for rates.

2019/20 BUDGET OVERVIEW

Madam Speaker and Councillors, I am once again pleased to report that the 2019/20 budget is fully funded. Our total budget is R39,7 billion, with the operating budget being R35,6 billion.

The 2019/20 budget is put together in a manner that seeks to ensure that the poor remains our priority and that current projects are completed timeously and within budget. This budget will also cater for new projects that are in the pipeline. Financial sustainability remains our priority, while we seek to ensure that reduced tariffs paid by poorer households are augmented by normal tariffs paid by other residents.

CAPITAL BUDGET

The total capital budget amounts to R4,2 billion for 2019/20 and R4,6 billion for 2020/21 and 2021/22 respectively. This is a R200 million increment from 2018/19.

The capital budget is funded by the following sources:

- City of Tshwane's own funding – R394,8 million
- Borrowings – R1,5 billion (which is equivalent to 35%)
- Grant funding – R2,3 billion

OPERATING REVENUE

The operating revenue (excluding capital grants and contributions) amounts to R35,5 billion, which is an increase of 7,5% against the 2018/19 adjustment budget.

Operating expenditure amounts to R35,4 billion, an increase of 7,6% against the 2018/19 adjustment budget, resulting in a surplus of R19,6 million for the 2019/20 financial year. This places the City on a good footing.

Property rates remain the City's main source of income at R7,5 billion.

Electricity and water sales stand at R17,7 billion and the charges related to sanitation and refuse removal add up to R2,8 billion.

Operating grants allocated for the 2019/20 financial year total R4,7 billion.

WHAT DOES IT ALL MEAN?

The above-mentioned figures and categories that account for the total 2019/20 budget paint a vivid picture of where the City is and inspire confidence in where we are headed.

Now that we have established the challenges faced by the City and thoroughly assessed the budget for this financial year, it is time to pair allocated funds with solutions that will address our challenges over this period.

As mentioned earlier, to give an accurate and honest account of the status quo it is imperative to know where we come from, so as to take on the future with confidence.

Guided by our five pillars, Madam Speaker, the City will utilise the budget in the following manner:

1. A CITY THAT FACILITATES ECONOMIC GROWTH AND JOB CREATION

Given the disheartening first-quarter labour statistics, it is befitting to begin with job creation.

Madam Speaker, I am painfully aware of the “Time” magazine cover featuring a photograph of one of the cities in our country with a headline that reads “South Africa, the most unequal country in the world”.

25 years into democracy our Gini coefficient remains at an unacceptable rate. However, I am empowered by the fact that I stand here in a position to instill change and better the lives of the people of Tshwane.

Positives strides, no matter how small, inspire others to do the same and also serve as a beacon of hope for those whose hope has been eroded.

JOBS

The City has undertaken to support SMMEs by encouraging young people to not only rely on sourced employment opportunities but also to consider entrepreneurship as a viable option, as well as providing support to start-ups.

Through the introduction of FABLAB we are fostering the culture of entrepreneurship that will see young people from our townships acquainting themselves with the notion of self-sufficiency, which will ultimately alleviate some of the budgetary pressures created by lack of employment opportunities.

EPWP

By far our highest source of employment opportunities stems from the Extended Public Works Programme.

During my State of the Capital Address I spoke extensively about the City’s efforts to root out all forms of corruption associated with this programme – from limiting the influence of fellow councillors, which led to beneficiaries unduly benefitting due to their political affiliations, to implementing a rotation system that takes cognisance of the families who are on the indigent programme.

Job opportunities within EPWP (R132 million) will stem from the following sectors:

- The infrastructure sector will contribute 12 200 work opportunities.

- The social sector will contribute 10 250 work opportunities.
- The cultural sector will contribute 550 work opportunities.
- The Office of the Executive Mayor will accommodate 200 EPWP beneficiaries.

Local economic development and SMME support amount to R8,5 million and R23,2 million, and community development (education and training) to R5,9 million. Since we recognise the contribution of the informal sector, we have prioritised informal traders by supporting informal trade markets in Marabastad and the inner city with R10 million.

Some of these allocations will be elaborated on as I continue with my address, Madam Speaker, as we are all aware that sectors such as infrastructure are vital to the livelihood of the City and to ensuring that we continue with our endeavour to improve the lives of the people through infrastructure-led growth.

INCOME-GENERATING METHODS

As previously mentioned in the State of the Capital Address, we have set ourselves a target of creating 104 000 job opportunities, and thus far we have managed to create 43 950. We are aiming to achieve our set target during this financial year. Since assuming office we have generated R4,3 billion in investment, which demonstrates our commitment to economic growth and job creation.

Madam Speaker, I wish to remind the people of Tshwane that we have set ourselves an ambitious investment target of R10 billion. To ensure that we achieve this target, we have allocated R72,5 million to the Tshwane Economic Development Agency (TEDA), one of the strategic entities responsible for facilitating investment in the city.

We have allocated R36,7 million towards industrial revitalisation in economic zones, which includes the Rosslyn Urban Realm upgrade and multimodal interchange, and the Civic and Northern Gateway Precincts.

We will be intensifying our efforts to ensure that the city attracts more tourists, as Tshwane remains a rich historical destination in South Africa.

2. A CITY THAT CARES FOR RESIDENTS AND PROMOTES INCLUSIVITY

HUMAN SETTLEMENT

Madam Speaker, as we advance in our democracy we cannot overemphasise the importance of creating living spaces that seek to integrate the haves and the have-nots.

This administration is intent on inclusivity through social housing that facilitates our mission of bringing people closer to work. Our entity, the Housing Company Tshwane (HCT), has been allocated R263,5 million to realise this objective.

The Letsema Unit is focused on formalising and improving informal settlements with R1,5 billion. This amount will be dedicated to various projects, from electrification to water provision, reticulation and sanitation.

This is how our human settlement budget is structured in this regard:

- Formalisation of informal settlements – R77,3 million
- Top structures – R156 million
- Water tankers – R197 million
- Sanitation: Chemical toilets – R37,8 million
- Bulk infrastructure – R949 million

During our consultations it emerged that the residents of Tamboville are unsatisfied with the quality of RDP houses provided to them. Rooiwal residents who also fall under Region 2 want the City to sell City-owned houses to them. This is a viable alternative to addressing the housing backlog, which is a concern. We appreciate it when our residents propose solutions that seek to assist us in our service delivery endeavours.

Schubert Park residents were addressed during consultations and it was determined that alternative accommodation is required for these residents. All informal settlements in Region 3 also require provision of basic services.

After consultations in Region 4, it was concluded that the Human Settlement Department's serviced stands must be given to community members. It has come

to our attention, Madam Speaker, that there are residents who prefer taking our serviced stands as opposed to being provided with RDP houses. This will alleviate the pressure on our constrained budget, as it addresses our goal of inclusivity through addressing human settlement needs while ensuring integration throughout our city. I have instructed HCT to explore alternative funding models, like the Finance-linked Individual Subsidy Programme (FLISP).

Phumzile Park informal settlement in Region 5 requires basic services while land in Ward 87 in East Lynne next to the bus depot is viable for housing. We are serious about housing options that do not cripple our residents in terms of transport costs. This will no doubt be appreciated in this region. It is for this reason that we must invest in alternative housing options like FLISP.

Phumekhaya informal settlement residents are waiting for basic services this financial year and we have already identified land for Zithobeni communities for housing provision. These and other challenges emerged from consultations we conducted throughout the seven regions.

HEALTHCARE

We cannot boldly claim to be a City that cares about its people without ensuring that we hear their healthcare concerns and ensure that clinics, hospitals and medication are accessible to them.

Our budget for healthcare is as follows:

- HIV/AIDS – R14,4 million
- Drugs and Substance Abuse Programme – R35,5 million
- Medicine and supplies – R2 million

HIV/AIDS

We have increased the number of voluntary testers by 10% in the last financial year and we are committed to seeing that number rise. We are continuously embarking on campaigns to encourage a healthy lifestyle and testing, so as to

provide the required medication. The rate of new infections continues to be on the decline, which is an indication, Madam Speaker, that our efforts in this regard are yielding positive results.

PROVISION OF CLINICS

Through consultation in Region 1, community members confirmed that the area was in dire need of a new clinic, while in Region 3 residents requested that inner city clinics should operate on a 24-hour basis. We have identified three clinics that will operate on a 24-hour basis and they are Boikhutsong in Soshanguve Block T, KT Motubatse in Soshanguve X 5 and Refilwe.

We are in agreement with this suggestion, as we cannot perpetuate a situation where our people are unable to access medical attention within close proximity due to clinics being closed.

We will therefore be working closely with the Department of Health to ensure that, at all times, the people of this city have access to affordable healthcare facilities.

Community and social development programmes include:

- Early childhood development and NGO support – R8 million
- Food bank – R4,9 million
- Sport and community libraries – R6,1 million

I am also pleased to inform the people of Tshwane that we are exploring the idea of opening libraries on Sundays.

Madam Speaker, the young people of this country continue to fall prey to drugs and unfortunately the city has its own fair share of this pandemic.

It is important to begin looking at drugs as a pandemic so as to allocate a portion of the budget to ensure that we deal with it decisively and begin to create safe environments for addicts to be rehabilitated.

This will go a long way in addressing criminal elements, as feeding substance habits often pushes addicts towards crime and counteracts our efforts to create a safe city for all.

The City has allocated R35,5 million to combating substance abuse and this will go towards servicing existing centres and assisting communities and NGOs that have taken it upon themselves to assist this administration in winning the war against substance abuse.

3. A CITY THAT DELIVERS EXCELLENT SERVICES AND PROTECTS THE ENVIRONMENT

Let me begin this section by reiterating once again that our priority is service delivery. Taking cognisance of that and in keeping with our theme of looking back on where we have come from so as to examine where we are and plan better for the future, a bit of background information is required.

As a country we previously dispersed resources in a skewed manner and the City's responsibility is to redress this. This, however, is to be done with the utmost care for our environment. Our natural resources are being eroded and redress policies are to be reflective of this fact without compromising the quality of our services. In the provision of basic necessities, such as water and sanitation, especially in communities who have existed for years without them, the City is demonstrating that it does not take its role for granted.

The budgetary allocation for water and sanitation infrastructure is as follows:

- Water purification works, jobs and storage – R213,9 million
- Bulk purchases: Water – R2,8 billion
- Refurbishment of water networks and backlog eradication – R35 million
- Replacement, upgrading and construction of waste water treatment works – R175 million
- Replacement of worn-out network pipes – R80 million
- Project Tirane (Re Aga Tshwane) – R65 million

- Mamelodi X 11 – R50 million
- Nellmapius X 22 – R15 million
- Water conservation and demand management – R62,9 million

It is with great pleasure that I announce that Soshanguve and Winterveld will be recipients of water and sanitation pipes. Through consultations we learned that there is no electricity and water in Refilwe X 7 and 8; we will address these with this allocation.

Madam Speaker, in my State of the Capital Address I spoke extensively about challenges we had encountered as a City in achieving targets we had set ourselves in providing access to water and sanitation to our residents.

Only 16 756 households had been connected to clean water and fitted with new meters at the end of the previous financial year. Our target is 43 050 and with the given budget, coupled with our continued efforts to address contractual backlogs, we will do our best to achieve this target.

ELECTRICITY

Water and sanitation provision is not the only important aspect of providing services. Electricity plays a huge role in functioning societies. The City is committed to providing electricity at affordable rates to the impoverished sectors of our society and electrifying areas that have been without electricity since before the dawn of democracy.

As a metro, however, we have to acknowledge that due to rapid urbanisation we must always make budgetary concessions for new communities that continue to mushroom around our city. A backlog and underachievement in our electricity provision mean we have to do better, but it is imperative to note that urbanisation means that we are likely to embark on new electrification campaigns for years to come.

It is not something we can shy away from, considering that people migrate here to seek better work opportunities and in return contribute to the increase in budgetary

expectations. This simply means that we should consider this in our spatial planning and population estimations.

Our electricity budget allocation, which accounts for all infrastructure projects, is structured in the following manner:

- Electricity reticulation, power stations and connections – R121,2 million
- Bulk purchases: Electricity – R9,2 billion
- Reservoir extensions – R104 million
- Electricity for All – R162,7 million
- Tshwane Public Lighting Programme – R97 million
- Prepaid electricity meters – R42 million
- New bulk electricity infrastructure – R120 million
- Electricity vending infrastructure – R10 million
- Electricity distribution losses – R50 million

Electrification projects are part and parcel of our human settlement endeavours. However, the budget also caters for the improvement of existing structures. We unfortunately have ageing infrastructure that requires upgrading and we are ensuring that we cater for this. The repair and maintenance allocation – R1,6 billion – is currently sitting at 4% instead of the targeted 8%.

We are going to fulfil our environmental obligations and continue to explore alternative green methods. Where energy can be conserved we are going to do so, and we are happy to hear suggestions that will assist in improving even more over the next financial year.

We are aware that with technological advancements and improvements in science, we now have access to alternative building solutions as well as greenhouses to foster agricultural activities. Thus our environmental and agriculture management operating allocation is as follows:

- Agricultural assistance and support – R1,8 million

- City sustainability (green desk) – R18,2 million
- Solid waste – R5,9 million
- Rehabilitation of landfill sites – R7,7 million
- Household refuse removal – R436,7 million
- Illegal dumping – R96,6 million

We know all too well that transport is the heartbeat of any thriving economy, thus we have prioritised the following operating allocations:

- Roads and transport – R408 million
- A Re Yeng repairs and maintenance – R46,4 million

REGIONAL OPERATIONS AND COORDINATION

To emphasise the seriousness of service delivery, we have allocated R785,7 million for repairs and maintenance of infrastructure and community facilities. We have also allocated R30 million to deal with sinkholes and R28,6 million towards the maintenance of Centurion Lake.

4. A CITY THAT KEEPS RESIDENTS SAFE

Madam Speaker and Councillors, I believe that any well-functioning city cannot thrive without government taking care of the safety and security of its citizens. This cannot be the sole purpose of government, however, because criminal activities require a collective approach and collaboration between us and the citizens in order to combat them successfully.

We are fortunate as a metro to have access to additional law enforcement in the form of the Tshwane Metro Police. They have been doing commendable work and our work is to ensure that they are capacitated fully in order to execute their job and assist us in fulfilling our mandate of creating a safer Tshwane for all.

We have a responsibility to ensure that, with our safety and security initiatives, we maintain our status as the “safest city” as reported by the South African Cities Network.

This includes catering for human resources needs and assets that will equip the police to combat crime successfully:

- Uniforms and protective clothing – R49 million
- CCTV – R18,6 million
- Watchman services – R159 million
- Asset Protection Unit (employee-related costs) – R266,2 million
- Prevention of illegal land invasion – R32,2 million

Madam Speaker, we are facing difficult times as a country with regard to land invasions and unfortunately our city is affected by this. This is why we have allocated R32,2 million towards the prevention of illegal invasions in this year’s budget.

The DA-led administration will not tolerate lawlessness. We will clamp down on all those who continue to disregard our constitution by invading land that they have no legal claim over. Although we understand that this is a sensitive issue, we implore the citizens of this beautiful city to adhere to the law at all times.

This budget is also designed to weed out cable thieves. By improving the CCTV cameras around the city and extending their coverage and range, we want to ensure that we zoom in on criminal elements, especially cable thieves.

Cable theft is eroding our budget in more ways than one. It affects residents as it robs them of electricity and hampers business sustainability. Over and above that, the replacement costs are enormous. Funds that could be redirected elsewhere have to cater for this need instead.

We will continue to work closely with our communities to make it impossible for cable thieves to thrive. We will also embark on awareness campaigns to educate our communities on the far-reaching effects of not reporting cable thieves to

authorities. We are exploring options like scouts, facial recognition, asset protection services and, most importantly, community policing forums.

To date, we have had successful partnerships with the communities of Itireleng and Olievenhoutbosch, who have so far assisted with the identification and apprehension of some of the cable theft suspects.

We remain committed to creating a city that is safe and conducive for our residents and businesses, and this budget allocation reflects that. Through perfecting the Safety App, we are confident we will enjoy the full cooperation of our residents.

5. A CITY THAT IS OPEN, HONEST AND RESPONSIVE

During my State of the Capital Address I spoke extensively about the need for honesty and openness. These elements are important because they assist in painting an accurate picture of the status quo.

One cannot fix what is broken and promote aspects of good governance if one is not acutely aware of what is broken in the system. When we finalised our 2019/20 IDP it became apparent that although we inherited an administration that was riddled with corruption back in 2016, we also had challenges relating to supply chain management, staffing capacity and general good governance.

We have discovered that our officials require capacity development and training so that we can be responsive to the needs and demands of the people of Tshwane. Furthermore, vacant posts have to be filled speedily in order for the City to function optimally. It is for these reasons that we have dedicated a significant portion of the budget to human capital.

HUMAN CAPITAL

- Capacity building, training and development – R3,2 million
- Community development: Education and training (bursaries) – R5,9 million

It is imperative to note that we cannot expect excellence without making provision for our staff to better themselves. We understand this and are actively working towards creating a staffing pool that can execute their duties and champion our ONLY priority of service delivery provision.

Over and above human capital issues, as a City we are also investing in systems for financial services, which have been allocated as follows:

GROUP FINANCIAL SERVICES

- Revenue enhancement: Debt collection – R114,3 million
- Strategic management and governance (asset register administration) – R191 million

SHARED SERVICES

- Wi-Fi – R69,5 million
- Automation – R122 million

GROUP AUDIT AND RISK

- Administrative and strategy planning (internal audit and forensic services) – R36 million
- External audit – R27 million

This will assist the City with investigations of financial misconduct and subsequent consequence management. It will also assist in intensifying the City's debt collection efforts and improve our monitoring and evaluation by catering for external and internal auditors. I did say that we are transparent, not only in nature but in action as well.

I AM TSHWANE

Madam Speaker, I cannot begin to explain to you how excited I am about the "I Am Tshwane" campaign. As a man who was born and bred in this city I cannot be more proud to be part of an administration that is inspiring confidence in our people.

The city belongs to all those who occupy her corners. This means that it is a duty and responsibility of all to play a role in making Tshwane great. This cross-cuts multiple sectors as it can include voluntary services or ensuring that accounting officers are held to a higher standard by reporting them when they are in breach of their employment contracts or duties.

The campaign forms part of our marketing and community endeavours for 2019/20, which will have access to the following budget:

COMMUNICATION, MARKETING AND EVENTS

- Strategic marketing and communication – R26,3 million

THE KEY CAPITAL PROJECTS

Madam Speaker, you will recall that in my State of the Capital Address I alluded to the fact that the infrastructure backlog needs to be addressed urgently, and the only way to deal with this problem is to focus special allegiance of the budget to regions that are hard hit by this problem.

The allocation per region is as follows:

- Region 1 – R855 million
- Region 2 – R551 million
- Region 3 – R737 million
- Region 4 – R159 million
- Region 5 – R69 million
- Region 6 – R295 million
- Region 7 – R256 million

Madam Speaker and Councillors, allow me to take you through the specific departments and respective project-linked allocations for the 2019/20 financial year.

1. COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

- Upgrading of Refilwe and Caledonian Stadium – R33 million
- Renovation/upgrading of No 2 Struben Street Shelter for the homeless – R5 million

2. EMERGENCY SERVICES

- Mamelodi Station – R44,5 million

3. TSHWANE METRO POLICE

- Purchasing of policing equipment – R37 million, 72% of which will be allocated to equipping the In-house Asset Protection Unit

4. ECONOMIC DEVELOPMENT AND SPATIAL PLANNING

- Industrial revitalisation of economic zones (Rosslyn Urban Realm upgrade and multimodal interchange, and the Civic and Northern Gateway Precincts) – R36,7 million
- Informal trade market in Marabastad and the inner city – R10 million

5. ENVIRONMENT AND AGRICULTURE MANAGEMENT

- Development of waste transfer stations – R9,2 million
- Provision of waste containers – R20,5 million

6. GROUP FINANCIAL SERVICES

- Non-technical electricity losses – R10 million
- Turnaround reduction of water losses – R80 million

7. GROUP PROPERTY

- Tshwane House (Enterprise Project Management Unit (ePMU) offices) – R15 million (in-house capacity building)

8. GROUP HUMAN SETTLEMENT

- Project-linked housing water provision – R330,1 million
- Sewerage low-cost housing – R277,1 million
- Roads and storm water low-cost housing – R317 million
- Redevelopment of hostels (Saulsville and Mamelodi) – R25 million

9. HOUSING COMPANY TSHWANE

- Timberlands bulk infrastructure upgrade – R50,4 million
- Townlands detail design and internal reticulation – R151,1 million

10. SHARED SERVICES (focus on in-house capacity)

- Purchase of vehicles and waste trucks – R110 million
- Upgrade of IT infrastructure, including disaster recovery system storage – R100 million

11. HEALTH

- New Lusaka Clinic – R23,4

12. REGIONAL OPERATIONS AND COORDINATION

- Bon Accord Quarry – R50 million

13. ROADS AND TRANSPORT

- BRT transport infrastructure – R460,6 million
- Flooding backlogs: Networks and drainage canals – R151 million
- Internal roads: Mandela Village – R15 million
- Bus depot (Ekangala) – R15 million

14. UTILITY SERVICES

- Reservoir extensions – R104 million

- Refurbishment of water networks and backlog eradication – R35 million
- Replacement, upgrade, construction of waste water treatment works – R175 million
- Replacement of worn network pipes – R80 million
- Project Tirane (Re Aga Tshwane) – R65 million
- Mamelodi Ext 11 – R50 million
- Nellmapius Ext 22 – R15 million
- Water conservation and demand management – R62,9 million
- Electricity for All – R162,7 million
- Tshwane public lighting programme – R97 million
- Prepaid electricity meters – R42 million
- New bulk electricity infrastructure – R120 million
- Electricity vending infrastructure – R10 million
- Electricity distribution losses – R50 million

WHERE ARE WE GOING?

Given the challenges I detailed earlier on, and the consideration of how we are going to allocate and spend the budget, I am confident about the direction that this city is heading in. We have conducted extensive consultations because we firmly believe in the notion that the city belongs to all its residents, and that each concern deserves an ear.

We have visited all seven regions, and heard first-hand from our people on the ground what their needs are and where they require us to improve.

Madam Speaker, as with previous budgets, this one was completed after numerous public engagement sessions and we fully understand that the custodians of the budget are our people. We value their input to our consultations and will ensure that we cater to the preferences of all our residents.

For the digitally inclined, a copy of the budget is made available on the City's website, while copies are distributed at libraries where community members are encouraged to make written submissions.

This, I must say, goes a long way in fostering a culture of inclusivity and championing all aspects of transparency. Let me reiterate that one of the pillars that characterise this government is transparency and accessibility of information.

Infrastructure needs remain imperative and the demand for excellent service delivery is important.

We appreciate this, and we are committed to improve in all aspects. We will continue to work closely with our communities to seek creative housing solutions and ensure that services reach every corner of this city.

We are going to intensify the fight against crime and root out cable theft. We implore our communities to play their role in this regard, as very little can be achieved without their cooperation.

Through the indigent programme and EPWP we are playing our role in alleviating poverty and encouraging self-sufficiency. The conditions for both these programmes are structured in a manner that will provide temporary relief while providing access to work opportunities and affordable rates and services.

An ideal Tshwane would be one that does not need such programmes, but with a constrained job market and the history of our unequal country, it is necessary that such programmes are designed and redefined to address these challenges and restore the dignity of our people.

Madame Speaker, our R1,3 billion social package, I am happy to report, is double the national norm. We are a caring government! Our priority is the most vulnerable sections of our society, with specific focus on the poor. Our social package includes, but is not limited to –

- 100 kilowatt of free electricity;
- 12 kilolitre of free water;
- 85 litre waste collection once per week;

- 6 kilolitre of sanitation; and
- 100% rebate on property rates.

TARIFF INCREASE

From 1 July 2019 the property rates tariff will increase by 6% for all categories of properties. All residential properties are exempted from property rates on the first R150 000 of their value.

Our aim is to ensure that our tariffs are affordable to customers. However, some increases such as those of Eskom and Rand Water are not under the City's control.

The budgeted revenue for water services increased by 8% and the bulk purchases tariff increase from Rand Water was budgeted at 10%. (Rand Water has not communicated the increases for bulk water yet.) We are confident that these, too, will be reflected in the mid-term review.

The National Energy Regulator of South Africa (NERSA) published the municipal tariff guideline increase of 13,07%. Therefore, the City has budgeted accordingly for a revenue increase of 12%, and these figures are likely to be factored in when we do the mid-term review, Madam Speaker.

Sanitation charges are calculated according to the percentage of water discharged and a tariff increase of 8% has been applied.

The refuse tariff structure has been amended: Two components – refuse removal and city cleansing – will be discontinued. A single tariff structure with a tariff increase of 6% has been applied in the 2019/20 MTREF.

We want to create a city that is conducive for business and holds its government accountable.

I would like to add that the budget is submitted with the SDBIP and procurement plans to enforce the culture of accountability, planning and consequence management.

We will not only submit the IDP and budget as per the legislation (our aim is to enforce a culture of planning), but we will also be tabling the SDBIP and procurement plans to ensure that all capital projects budgeted for are at implementation stage.

CONCLUSION

Madam Speaker and Councillors, as we set out to draft this budget, our goal was to ensure that it is pro-poor, service-delivery and sustainability centred. I'm proud to say that I have delivered one that has executed this goal. The funds allocated to job creation in this constricted market are admirable and illustrative of the fact that we will always seek to improve the lives of our residents.

This budget will adequately address the challenges as highlighted during the public consultations, and it places us in good stead with the people of this beautiful city.

Madam Speaker, the presentation of this budget demonstrates my commitment to improving the lives of the people of Tshwane through service delivery.

Our marching orders remain: Moshomo o tshaba diatla.

Hauweng!