

Inaugural Budget Speech by
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Executive Mayor of Tshwane

Tshwane Budget 2017/18 is only the beginning of creating a safe and inclusive Tshwane of opportunity

Madam Speaker;
Your Excellences, Ambassadors and High Commissioners;
Leader of Council Business;
Chief Whip of Council;
Members of the Mayoral Committee;
Fellow Councillors;
Esteemed Governor of the Reserve Bank;
City Manager and Senior Managers present today;
Leaders of the Business Community present today;
Distinguished Guests;
Members of the Media; and
Our VIPs, the resilient people of Tshwane.

It's an immense honour and a privilege to deliver the first Budget Speech after the first State of the Capital Address since the historic turnover of power that brought change to our city.

Madam Speaker,

The truth is that service delivery has been neglected for some time in this city.

Fair and equitable service delivery was certainly not the priority of decades of Apartheid rule.

It was, regrettably, also not a priority of the former administration in its dying days in this metro.

But service delivery is undoubtedly our priority and that is why the people of Tshwane voted for an alternative in the 3 August elections.

It is since those elections that I have spoken about what we have inherited from the former administration.

Madam Speaker,

This is not because I don't like the former administration or bear any ill-will towards the former administration, but because the actions of the former administration have entangled the City of Tshwane in a whole host of cultures, practices and contracts that have made it difficult to provide the services our people so desperately deserve.

It is for us to now free this City from the evil legacy of apartheid and the maladministration of the previous government.

This task, Madam Speaker, will not be an easy one. But one for which we are ready and the budget that is today before Council is a demonstration of our commitment to making Tshwane a prosperous hub of opportunity, safety and sustainability.

Failure, in this regard, is simply not an option.

This new administration, in formulating the 2017/18 budget, had to consider a host of issues that presented challenges to our efforts to make the city viable again for our people.

The simple fact is that the City of Tshwane is cash-strapped as we have inherited financial disorder which we have begun to turn around.

The fact is the City closed the last financial year with a deficit in excess of R2 billion.

The fact is revenue collection was not a priority for the previous administration.

The fact is that we have PEU smart meter and broadband contracts that jointly cost the City in excess of R1 billion a year and this threatens to bankrupt the City.

The PEU smart meter commission alone costs the City more than R630 million annually.

Supply chain processes were almost never enforced, which meant that strategic procurement was also not a priority. This meant that goods and services were procured at astronomically inflated prices at the expense of the City and its people.

The simple fact is that not enough provision was made to address the service delivery backlog that threatens the dignity of our people who continue to languish in uninhabitable areas.

The fact is that creating sustainable opportunities for our people to participate in our economy was not at the forefront of the previous administrations' collective consciousness.

And the fact is we, as the new administration, have to fix it.

This work begun by us passing an adjustments budget that looked to better align our resources to ensure that we were able to prioritise the delivery of better services to our people in the remainder of the 2016/17 financial year.

Our gains thus far have been made against the backdrop of a South Africa which has become less and less economically viable.

The economic climate in which South Africa currently finds itself has seen the shrinking of national, provincial and local budgets and has had significant implications for the equitable share received by municipalities.

Understanding all these challenges it was important that we work smart with the limited resources at our disposal and that required us to focus our attention on our priorities which are informed by the will of the people who elected us to serve.

This meant that we had to formulate a strategically viable 2017/18 budget informed by an Integrated Development Plan (IDP) that seeks to create a Tshwane of opportunity:

A Tshwane of openness and honesty that responds to the needs of our people;

A Tshwane that cares for its people by addressing the needs of the most vulnerable in our society;

A Tshwane that is sustainable and viable by instituting systems and practices that make our City a stable and reliable vehicle for progress and prosperity;

A Tshwane that is clean and safe and protects our people from the social ills that confront us every day; and ultimately and most importantly

A Tshwane of opportunity by growing the city's economy and creating jobs that will be the driver that will ensure an inclusive society where as many people as possible in the city can share in its bounty.

Achieving these ends will require us to adhere to the two guiding principles of stabilisation and revitalisation that will help us realise our commitment to better, more efficient service delivery.

The stabilisation of this new government is the critical foundation for attracting investment into our beautiful city.

This specifically speaks to providing stable, reliable, decisive and progressive political and administrative leadership that will inspire confidence in the markets and encourage informal, small to medium and large enterprises to see our city as one that is competitive and complementary to their business.

In so doing this will cultivate the revitalisation of our city's economy, which is a vital ingredient to generating more revenue that will afford us the opportunity to meaningfully address our priority to create much-needed employment opportunities for the millions of people who so desperately need to be employed, in order for them to liberate themselves from the throes of poverty.

The generation of greater revenue for the City of Tshwane will enable us to deliver on our preeminent mandate to deliver better services to our people who have for too long come second to poor political leadership and a waning city economy as reflected by the poverty that still persists in Tshwane.

Adherence to these critical principles will go a long way to ensuring that this administration and I achieve that which we were elected to do and that is what I recommit myself to do every day.

To do this we have to put before this Council a 2017/18 budget that is financially viable and that speaks directly to our IDP.

An IDP that has gone out for extensive public participation and represents what our people want and what they truly deserve.

Madam Speaker,

This is to say that the budget currently before Council is one that is fully funded and balanced and is confirmation that we have heard the people of Tshwane and we are "putting our money where our mouth is".

For too long our people have been subjected to double-speak by administrations past without a clear demonstration that the resources of our people would be used to benefit them and the most vulnerable in our society who desperately need change that cuts corruption, creates jobs and delivers better services for all.

This is the promise I made throughout my election campaign and this budget is the first in a series of many steps that will give effect to that promise.

This budget is for my VIPs – the people of Tshwane.

It is a known fact that the City of Tshwane is the most expensive municipality in South Africa.

This is the result of past administrations' poor planning, which saw the residents of Tshwane having to foot the bill for that poor planning by being subjected to tariff hikes year on year.

We recognise that, and that is why this budget seeks to provide some relief to our resilient residents.

In compiling this budget, this new administration paid great attention to the affordability of our budget.

We are happy to announce today that this budget currently before Council will make it less expensive for our consumers, the residents of Tshwane, compared to what would have been the case if proper affordability assessments were not carried out in the formulation of this budget.

Electricity will increase by 1,8%, water by 10,2% and refuse removal by 7,5%. Property rates tariff will be based on the new valuation roll. The total account is expected to increase by around 2% on average.

It is important to note that water and electricity tariffs are mainly influenced by the Rand Water and Eskom tariffs respectively.

As far as property rates tariff under our control are concerned, the rate in rand has been reduced.

In real terms this means that a Tshwane account holder who paid R394,54 on property rates in the 2016/17 financial year, will pay R346,43 in the upcoming 2017/18 financial year.

This is a R48,11 decrease in what the City is asking our residents to pay.

This is progress, Madame Speaker.

Throughout the process of this budget we were mindful that building the Tshwane we wanted would require us to use the tools and instruments that are at the disposal of local governments and giving effect to what local governments ought to be good at and that was to approach our service delivery agenda with infrastructure at the forefront of our collective minds.

We recognised that infrastructure-led growth would be the key to unlocking the potential of Tshwane.

The expansion, upgrading and refurbishment of water, electricity, road networks and public transport, where necessary, will allow for greater commercial activity across the city.

As such, R1,3 billion has been set aside to maintain and repair infrastructure, which will be the backbone of our developmental agenda.

This will also serve to catalyse economic activity in "township" economies by creating a more conducive business environment through the delivery of expanded and reliable services and transport links.

Spatial design with regard to service delivery and infrastructure expansion to these areas will require earmarking land for potential commercial activity as these economies begin to expand.

It was in view of this that we began to build the budget that would begin building Tshwane.

Creating a Tshwane of opportunity

The City of Tshwane is grappling with the sad reality of unemployment and poverty. It is therefore important to recognise that these challenges must be addressed by interventions on more than one front.

For Tshwane to be a city characterised by opportunity, care and inclusivity, sustainability, safety and cleanliness, openness, honesty and communication, this development plan for the next five years cannot ignore addressing these challenges in any of its pillars.

As a city, we are proud to have a manufacturer and assembler of passenger vehicles that are mainly produced in the Rosslyn and Pretoria East areas. According to the Automotive Industry Development Centre, the city produces 40% of South Africa's automotive output.

It is common cause that this industry needs to be supported so that it continues to grow and employ the many people in its midst without jobs to arrest the cycle of poverty and pull themselves into a better life for themselves and their families.

The recent expansion plans by BMW (R6 billion) and Nissan (expansion from 40 000 to 80 000 units) in their plants in Rosslyn bear testimony that this industrial hub is full of potential and opportunity.

Looking ahead, public-private partnership projects are the key to the development of the Tshwane Automotive City – a special economic zone where a chain of auto suppliers will be located.

It is therefore our duty to ensure that Rosslyn and areas with similar expansion rates are indeed the anchor of the city's industrial capacity and capabilities because they are well-positioned to serve the City of Tshwane's economic revitalisation agenda to get more and more people of Tshwane out of poverty and participating in the economy.

It with this in mind that provision in this budget has been made to develop the infrastructure in Rosslyn, Ekangala and Waltloo to strengthen the industrial backbone of the city for faster and more sustainable growth.

As such, the 2017/18 budget has allocated R660 million to these industrial nodes to ensure that we harness the existing industry that will help us build a better Tshwane.

In addition to the jobs that will be created by these growing industries, it is important to note that the delivery of this infrastructure will in and of itself contribute to 23 000 new EPWP jobs opportunities as announced in the State of the Capital Address on 6 April 2016. The City's contribution for the 2017/18 financial year is R122 million.

Our value proposition on the EPWP is that we are working on a pipeline that will not just see people exiting the programme but gaining skills which they can use in the market at exit.

Appreciating that there is value in harnessing existing programmes, zones and assets, the current administration has identified the Wonderboom Airport as one of the Municipality's most important strategic assets.

The City is now completing a comprehensive development programme aimed at maximising the value of this asset to the capital city of South Africa.

Furthermore, I unveiled a new corporate identity for the Wonderboom Airport in October last year as part of the 80th anniversary celebration of the airport.

The allocation for Wonderboom Airport is R84 million over the medium term, which is split as follows:

- R34 million – 2017/18
- R15,5 million – 2017/18
- R35 million – 2018/19

Pursuing the logistical capabilities of Wonderboom will take some of the pressure off our existing airports, namely Lanseria and OR Tambo International, which can focus primarily on commercial and passenger travel, allowing Wonderboom to increasingly become the nation's foremost logistics and freight airport.

This will afford Wonderboom Airport the ability to create opportunities for economic growth through increased freight traffic and job opportunities.

Although these industrial hubs have the potential to make a significant dent in the city's unemployment figure, not all of the 439 000 people will be absorbed by the bulk infrastructure developments in these identified areas.

This calls on the administration to stabilise and revitalise other job-creating sectors.

Other than infrastructure, cities have the ability to make the cost of doing business in them cheaper.

This is often done by scrapping outdated legislation that is prohibitive to the work of growing businesses, stimulating the economy and ultimately creating jobs for the residents of Tshwane.

This will include but is not limited to:

Making investment easy, reducing delays in approving planning and land use applications, facilitating connection to utilities and expediting rate clearance certification to significantly reduce cost-prohibitive factors for businesses. Over the next term the local government will modernise the bureaucratic processes associated with these applications, including the use of e-planning systems.

The main aim of this system overhaul will be ensuring that applications can be approved within legislated time frames, or sooner, allowing businesses to establish themselves or expand more rapidly.

During this term of office, a broad audit of all policies and by-laws which impact businesses will be undertaken to ensure they serve a relevant purpose. Those which do not, and simply create more red tape and barriers for business growth, will be repealed.

Incorrect billing and prohibitive tariffs can seriously impact on the cash flow of businesses, especially small and medium businesses. The City will prioritise an overhaul of the billing system over the next five years, including through the use and integration of e-systems, to ensure that all businesses and residents are billed correctly and fairly.

We will capacitate the Business Investment Unit which assists with investment facilitation in terms of land use applications, connection to utilities, rates clearance certificates and other compliance issues.

The City will continue to roll out ICT network solutions which can improve the efficiency of doing businesses as well as lower the associated costs.

We look forward to working with this Council to support us in our efforts to evaluate the legislative impediments to growth and job creation.

Our success in this initiative will be demonstrated by our improved ranking in the sub-national Doing Business Survey next year.

Madam Speaker,

It is through you that I plead with this Council to not oppose reform in this sector for the sake of opposing, but to withhold dissent in areas of substantive concern and support interventions that will ultimately be for the betterment of the lives of the people who elected us to this house.

The legislature has an important role to play and we must work together to ensure delivery and opportunity for the people of Tshwane. This is through diligently evaluating any and all by-laws to assess whether or not they are still applicable to the current economic climate in which we find ourselves.

If they are prohibitive to the stimulation of job creation and growth they should be scrapped in order to create a Tshwane that creates opportunities for our people and not stifle economic growth and inclusion into our economy.

Additionally, the City of Tshwane recognises that there has historically been a lack of focus on the promotion and revitalisation of small to medium enterprises, which is unfortunate because these enterprises are often labour-absorptive and they need to be supported to empower people to earn an income to support their families.

This will, in large part, require an overhaul of all City of Tshwane skills provision programmes to ensure they are more efficient and relevant, including by adjusting their design, to allow for a monitoring and evaluation feedback loop. This will allow the City to assess how businesses which were recipients of support have fared, including subsequent challenges they were faced with, and use this information to adjust the skills programmes accordingly.

Given the sheer magnitude of the task to put Tshwane residents to work, we have allocated R662,3 million to the Group Economic Development and Spatial Planning, which will not be sufficient to address some of our immediate to medium-term concerns and put us in a better place to attract the R10,8 billion in investment we are looking for as announced in last month's State of the Capital Address.

This will also be supported by a budget allocation for integrated transport infrastructure to the tune of R1,1 billion, split as follows:

- R34 million for the Wonderboom Airport
- R669,2 million for A Re Yeng
- R375,8 million for roads

This will allow for better connectivity across the city.

Additionally, leveraging and diversifying some the existing programmes in the city, we will also pilot an employment awareness centre over the medium term.

The aim of this centre of facilitation will be to assist and empower Tshwane's unemployed residents find and take advantage of employment and/or business opportunities.

The centre will act as a hub for those seeking assistance to find work and will provide services including, but not limited to, assistance with applications and CVs, career-pathing and skill-pathing advice, collated information on available employment

opportunities in the city as well as support for small and micro businesses in terms of compliance with City of Tshwane regulations.

While looking into building this vital centre in the medium term, we will in the immediate term explore using our existing facilities to carry out this work.

Vitality, the job centre programme will link with the Investment Promotion Unit, allowing it to inform unemployed residents about new investment ventures and the associated job opportunities they will create.

The creation of an economically prosperous city will require the stabilisation of our law enforcement agencies by introducing interventions to not only attract investment and economic activity but to also protect our residents and mitigate the loss of life and limb at the hands of crime.

Contributory to the creation of an inclusive Tshwane teaming with opportunity is our city's award-winning Wi-Fi.

We are therefore pleased to announce that since starting in 2013, TshWi-Fi has facilitated access for 3 million users. That's enough people to fill Soccer City 30 times.

TshWi-Fi has taken on a momentum of its own, with active and engaged citizens making a difference in their communities with the power of technology.

I have been vocal in my support of the free Wi-Fi project. The TshWi-Fi network is stable and operational and our job now is to make it better and sustainable. The service has not been suspended for any reason and network deployment continues to grow.

Recognising that cities can be urban hubs of creativity and innovation, the new administration of Tshwane has an ambitious vision of making Tshwane the most connected city on the African continent.

Not only does free Wi-Fi allow users who previously only had limited access to get online, it also gave small businesses the chance to use information technology to thrive.

Entrepreneurs like Sizwe Ntloko, a photographer and graphic designer, use Tshwane free Wi-Fi to grow and operate their business ventures. Sizwe accesses the internet at TshWi-Fi zones and communicates with his team and sends designs to clients. "We're living in a new world with technology," says Sizwe. "That's why Tshwane free Wi-Fi is important."

Free Wi-Fi has made a real impact on people's lives: "TshWi-Fi gives the youth the opportunity to expand their minds," says Lenah Mashiya, a local radio station presenter and TshWi-Fi champion, who encourages young people to use the internet in all areas of their lives.

We're constantly looking for ways to innovate, but it is important to take time to appreciate how far we've come and to acknowledge the incredible TshWi-Fi community of champions, innovators and ambassadors that we have become a part of.

Thank you, the users, for your support, enthusiasm and feedback.

Fate of Caledonian Stadium

You will remember that there were plans by the previous administration that the historic Caledonian stadium, which has been in existence for over 100 years, be demolished and turned into a multipurpose park.

Not only was this irrational as it would have deprived hundreds of children from under-resourced schools of sporting facilities to develop their skills, it would have also destroyed one of the city's oldest heritage sites.

The stadium has a very rich history in South Africa, not only in terms of football. The likes of Mark Fish, Bongani Khumalo, and Itumeleng Khune came and played there. People like Pitso Mosimane cut his teeth there. The late Thomas Madigage (Bafana Bafana assistant coach) played and coached there.

The former administration further neglected the stadium and did not do any maintenance on this facility for years. This was a worrisome revelation because if they could not manage a simple stadium, how on earth would they begin to manage a complex, multipurpose park?

It therefore gives me great pleasure to announce that this administration has kept to its promise of saving the Caledonian stadium by stopping the planned destruction and rather having it revamped.

Residents of the city will be pleased to know that the Caledonian stadium has been allocated –

- R32 million in the 2017/18 financial year; and
- R35 million in the 2018/19 financial year for the refurbishment works.

The hundreds of children from under-resourced schools who would have been deprived of their only sporting facility in the area can now rejoice and look forward to an even better stadium.

I would also like to take this opportunity to announce that the City and the Supersport Soccer team have entered into a deal where the Caledonian will be their

home, which will generate increased revenue, with the mutual understanding that the City will invest in capacitating the stadium to their specifications.

This milestone is a demonstration of our resolve to stop all vanity projects which have no value for the majority of residents. We remain resolute to deliver on our campaign promises and this is only the beginning.

Lalela Freedom of Expression Monument

In deference to this new administration's commitment to human rights we recognised that Church Square needed a new layer of heritage, giving ownership of the space to all citizens of Tshwane.

The former administration loves to talk a big game about creating an inclusive society which all South Africans from different walks of life may share, yet they sat on this project for almost four years after it was approved by the previous Mayoral Committee.

It is our belief that the project will –

- gain public, visitor and investor interest into the Church Square precinct;
- create an internationally recognised monument for freedom of expression, because this human right cannot be taken for granted;
- preserve the memory and life's work of the struggle stalwarts' legacies at Church Square and the Palace of Justice;
- create a place/platform where artists can perform freely at any time of the day;
- create a place to enjoy the colourful side of freedom of expression to open South African public discourse in refreshing ways;
- create the first structure of its kind institutionalising freedom-of-expression in this format;
- create an open-air theatre since all activities on Lalela will be broadcast via electronic media to the rest of the world (internet and television); and
- create a source of daily entertainment for tourists and locals alike, revitalising the inner-city economy.

Also featured at this monument will be a rock excavated from the limestone quarry on Robben Island where forced labour was induced.

It is our commitment to create an inclusive society that is able to share in the resources of the city, as well as a society that can share in our collective heritage, both painful and reverent, to ensure that we again move forward with the common vision of tolerance and inclusion.

Creating a safe and secure Tshwane

Ensuring the safety and well-being of residents is one of the key priorities of the City. Residents need to feel safe and be safe in the city they call home. Drug abuse and related crime is currently one of the biggest challenges faced by the City.

The City will focus on utilising the Tshwane Metro Police and law enforcement to increase visible policing in strategic areas, addressing the Metro Police's ability to respond to a variety of challenges, prioritising initiatives to deal with drug abuse and protecting residents from disasters effectively.

A budget allocation of R2 billion has been made to Metro Police to give effect to all our crime-fighting agendas.

This will be supported under the Inner City Rejuvenation Project we launched last week, which will come about in phases throughout the metro, but begin in the city centre and run into the medium term.

This will enable a multi-pronged approach to dealing decisively with crime and illicit activities in the inner city.

Derelict buildings in Tshwane often harbour criminals and rob our city of the economic productivity needed to enhance the quality of lives of all residents.

These buildings are often riddled with service connections that contravene every City of Tshwane by-law. Fighting crime is at the top of our priority list and we will do what we can within the confines of the law to reclaim our beautiful city from criminals.

A clean and well-functioning inner city goes a long way to restoring confidence in its ability to attract investment, both domestically and internationally. As such, the City has installed an inner-city depot which will occupy itself with ensuring that we rejuvenate and revitalise the inner city, which in recent times has become a victim to littering and a general state of uncleanness due to a multitude of reasons, including but limited to mass protest action in the city, which is home to all government departments.

Over the last couple of months there have been visible efforts to restore the city's cleanliness, and this will go some way to enhance its image and instil confidence in Tshwane as a city that is clean, safe, efficient and open for business.

This inner-city depot is not limited to restoring the city's cleanliness but will also ensure that the inner city is safe for the people who commute and already do business in Tshwane.

We want to attract investment. We want this city to be a place where people can play, live and work. You cannot do that if one building is up to standard but the next building looks like a slum. We are going to have to clean that. How can we have 20 people sharing a two-bedroom flat? We are going to check and correct that.

We are also going to engage with property owners. We will give them a timeframe to fix and upgrade their buildings. In failing to do so, the City will do it and they will get the bill.

We will also identify buildings owned by people who are no longer in the country, who receive rent at the end of each month, but don't care whether maintenance is or isn't done in their buildings.

Bringing all these elements together – including safety and infrastructure, and better leveraging of our traffic sector – will go a long way to furthering the strides we have already made in bringing about the change our residents so desperately need.

While we do understand and appreciate the frustrations of some of our residents, we are grateful for their patience and want to assure them that this change is coming to all parts of Tshwane and that no person will be forgotten. It will just take some time to turn back the clock and correct the poor management of 20 years of shoddy administration in this city.

Appreciating that drugs are a scourge on our community and keep our citizens away from productivity, or are driven to drug-related crime and illicit activity, we recognise that the City needs a comprehensive region-specific focus on our drug problem to supplement the great work already being done by the Anti-Drug Unit we announced last year.

I have personally embarked on a drug-bust operation this past week and am hell-bent on fighting this drug problem head-on, and dealing swiftly with the drug lords that are effectively facilitating the demise of our people in this regard – particularly our youth.

My condolences go out to families and loved ones who have lost people to drugs and my sympathies are equally expressed to those who have family members or loved ones who are suffering from this scourge.

Our administration remains committed to fighting the drug problem in recognition of the devastating impact it has on our communities.

Our preoccupation is to fight the drug problem while creating opportunities for employment and productivity across the City to employ our people so that they may

too live a better life and not be condemned to a life of poverty or even condemned to death.

We have to rescue our lost generation from this and we have to leverage our regions and existing tools to make progress in this regard.

This is why the City has made a commitment to partnering with civil society to ensure that the R40 million earmarked for the fight on drugs is used properly to support civil society in helping communities fight this problem.

While we note that R40 million is not nearly enough, we plead with our people to be mindful of the tight fiscal constraints in which we find ourselves and that we will make strides to allocate more resources to this fight in the medium term and beyond.

Building an inclusive and caring Tshwane

Many residents cannot afford basic services and need to be supported by the City. Although there is an indigent programme in place, too many qualifying residents are not registered to receive this support.

The City aims to support all qualifying residents with the basket of free basic services.

In terms of the Indigent Policy, beneficiaries need to be re-evaluated every 24 months to verify their economic and social position. Depending on the outcome, qualifying beneficiaries will be re-registered.

The City embarked on the Indigent Programme evaluation roadshows in September last year after it was established that non-qualifying government officials and households were illegally benefiting from a programme meant to assist the most vulnerable.

The evaluation roadshows also provided an opportunity to market the indigent programme in communities to encourage qualifying residents to register to receive the basket of free basic services.

The basket of free basic services include the following:

- The first R120 000 on the value of residential properties is exempt from property tax (previously it was R75 000)
- We have introduced a relief on properties with the value of R120 000 and less; these account holders will receive a discounted fee of R179,98 for a 240 litre dustbin

- Registered indigent households are exempted from paying for refuse removal and property rates, irrespective of the value of the property they own
- Pensioners, and physically and mentally disabled persons are granted rebates under the policy conditions
- Registered indigents are granted 100 kWh of electricity free of charge and 12 kℓ free water
- Accumulated arrears are written off at the time of registration and
- Free connection of prepaid electricity meters is provided

Going hand in hand with the indigent programme is the initialisation of the Revenue Collection Campaign which was informed by the R8,6 billion of outstanding debt owed to the City of Tshwane by customers. Topping the arrears' list is R4,54 billion which is owed by residential customers.

Business customers come second with a gross outstanding amount of R2,28 billion. A further liability is attributed to government and inactive customer debts which stand at R824 million and R661 million, respectively.

The enhanced revenue collection segments customers by looking into those who are unwilling to pay and those genuinely unable to pay. This time around the campaign seeks to create a culture of paying municipal bills by explaining the importance and benefits to the customers.

Those customers who fall within the bracket of "incapable or unable" were invited to various customer care centres across the city where officials assisted with updating the indigent register, conducted affordability analyses, and made payment arrangements.

The City is experiencing a growing problem of homelessness within its area of jurisdiction. According to the 2010 South African Cities Network report, an estimated 200 000 people who are homeless in South Africa are found in big cities, for practical reasons.

The Statistics South Africa Report published in 2012 estimated that there are 6 244 homeless people in Tshwane alone. We have put in place a policy document to humanise the approach to street homelessness. They must not be victimised, but supported.

To this end, we will identify needs for care and support to facilitate the provision of appropriate care, to prevent homelessness whenever possible and to provide

sustainable, long-term solutions to homelessness through a holistic reintegration strategy and action programme.

We realised the need to coordinate a multi-stakeholder response to the problem of homelessness. We have thus partnered with the University of South Africa, the University of Pretoria and the Tshwane Homelessness Forum to find sustainable solutions to this challenge.

Our policy document asserts the city as home for all who live in it, thus including the street homeless population, regardless of the causes of their homelessness and whether they find themselves on the streets temporarily or chronically. The City will attempt to alleviate this problem by converting some of its property to repurpose it with the view of creating homeless shelters.

The policy document envisions a safe and secure environment for all who live in the city, both those currently living in permanent housing and those who are homeless. It therefore seeks to advance the social, economic, spatial and political inclusion of street homeless people, thereby ensuring their enhanced and holistic freedoms as envisioned in the Tshwane 2055 document, and aims to ensure an enabling institutional environment for facilitating such broad inclusions.

Too many communities in the city do not have access to quality basic services and live in underdeveloped parts of the city. Residents in many informal settlements still only have access to rudimentary water and sanitation services, infrequent refuse removal and area cleaning, and do not benefit from adequate infrastructure upgrades.

The City aims to address this as a matter of priority in a systematic way. The city currently has 133 informal settlements of which the majority have no access to or receive basic services. The City will prioritise the upgrading of services delivered to informal settlements in order to improve the quality of life of those residents.

The City is committed to providing sustainable and integrated human settlements that are accessible and liveable (where people live in safe and secure environments), and have adequate access to economic opportunities, a mix of safe and secure housing and tenure types, reliable and affordable basic services and social amenities.

It is almost criminal that previous administrations have failed so dismally to make better provision for basic services in these informal settlements.

As such, this administration will pursue specific departmental programmes supporting the spatial transformation areas with regard to mobility as follows:

The implementation of mixed-housing developments (mega projects): The City has been allocated Human Settlements Development Grant funding of R90 million in 2017/18 to construct 1 000 top structures.

Catering for various typologies and tenure options, for example subsidised low-cost housing, the gap market, and affordable rental accommodation.

Provision of serviced stands (water and sewer reticulation), taking into account that housing provision remains a competency of the provincial government. A total of 2 300 stands will be connected to water and 1 350 to sewers.

Formalisation of informal settlements regarding planning for water, stand pipe, and sewers with an outside toilet. A total of seven informal settlements will be formalised under Project Tirane.

Provision has been made in the operating budget for an amount of R106 million, and the Housing and Human Settlement Department will receive an allocation of R874 million on the capital budget for the 2017/18 budget.

Furthermore, to restore dignity, the City will invest R480 million over the medium term on basic services to begin addressing the often undignified sanitary conditions which so many of our people have to endure.

This is a priority of this administration.

And while we won't be able to fix the City's sanitation woes in the medium term, it is certainly the priority of this government to address these problems as decisively and relentlessly as possible, appreciating the budgetary constraints we inherited.

The City of Tshwane has made provision in its draft IDP 2017/18 for the formalisation of seven informal settlements. This project will henceforth be known as

Project Tirane

As part of the rollout of Project Tirane, the City will upgrade the following areas to fully serviced stands, with some areas provided with bulk infrastructure:

- Kudube X9
- Refilwe Manor
- Themba View
- Olievenhoutbosch Ext 60
- Zithobeni Heights
- Zithobeni Ext 8 and 9
- Mabopane Ext 1

Upgrading of informal settlements is a multiyear process and work has already started in these areas, with a budget allocation of R473,5 million.

The City will also commence with provision of bulk infrastructure in the following areas:

- Hammanskraal Ext 10
- Booyens Ext 4
- Winterveld (work ongoing)
- Refilwe Manor (work already underway)

R310 million has been set aside to support our service delivery agenda in these areas.

A total of R40 million has been put aside as Opex to finalise planning and detailed designs for the following informal settlements:

- Mabopane Ext 12
- Mahube Valley Ext 15
- Jeffsville and Malusi (Booyens Ext 4)
- Hammanskraal West
- Mabopane Ext 11
- Atteridgeville Ext 46 (Lotus Gardens) for the people of Itireleng

This effectively means that this administration will endeavour to extend basic services to these areas.

The work includes, amongst others, provision of bulk water and sewer connections, roads and storm water systems, water reticulation networks, and electrification of households.

This project will provide a significant improvement in the living standards of the residents of these communities. It will enhance safety and improve access to basic services in recognition of how important it is to uphold the dignity of those living in informal areas.

Nonetheless, this administration realises that this is not enough. Too many of our residents live in shocking conditions. The state of sanitation provision to informal communities in this city is either inadequate or wholly absent. Simply put - this administration has inherited a sanitation crisis in the city's informal settlements.

I want to reassure the residents of Tshwane, particularly those who live with the reality of this crisis on a daily basis, that this administration recognises your struggles, I recognise your struggle. The issue of sanitation is going to be a central priority for my administration.

As a first step to addressing this issue the City is planning a sanitation audit. The purpose of the audit is to get a clear picture of how serious each informal settlement's sanitation situation is – including its impact or potential impact on the health of residents.

This data will help us to develop a triage plan of sorts to assist with identifying which communities are in need of the most urgent interventions. This will allow us to match the available funds appropriately to the most urgent sanitation needs. Given the massive financial pressures we have inherited we believe that this the most fair way forward in terms of expanding access to adequate sanitation in our city.

It is important to note that poor sanitation puts pressure on our health services as a result of the diseases that are spread in unsanitary environments. It is therefore crucial that we widen access to primary healthcare facilities to ensure that residents have access to deal with particular ailments.

To this end the City has completed the upgrading and construction of the Zithobeni and Block JJ Clinics. The two clinic infrastructures belong to the City. We are however, making them available for the GP Health Department to manage and operate through an existing service level agreement. The City is committed to ensuring that the community has universal access to facilities.

Zithobeni Clinic:

- Upgrading is complete
- The City has arranged with GP Health to operate the clinic for extended hours
- The upgraded clinic will operate for 12 hours from Monday to Friday, and open on Saturdays from 2017/18 onwards.

Soshanguve Block JJ Clinic:

- Upgrading is complete
- The City has arranged with GP Health to operate the clinic for extended hours
- The upgraded clinic will operate for 12 hours from Monday to Friday, and open on Saturdays from 2017/18 onwards.

Rayton Clinic:

- The City is upgrading the Rayton Clinic from the current financial year budget
- The City is committing an amount of R40 million to complete the project over the next 18 months
- Upon completion, the City will partner with GP Health to manage and operate the clinic for extended hours
- Similarly, Rayton clinic will operate for 12 hours from Monday to Friday, and open on Saturdays upon completion

Upgrading of Phahameng and Eldoraigue Clinic dispensaries:

- The City is required to comply with the National Core Standards for Implementation of the NHI
- Key, among others, is to comply with the minimum standards for clinic dispensaries
- An amount of R5 million has been allocated to complete the upgrading of the Phahameng Clinic dispensary, and commence the upgrading of the Eldoraigue clinic dispensary

We are committed to ensuring that there is a progressive realisation of access to healthcare and we are doing our part one step at a time to ensure that this human right is enjoyed by as many residents as possible.

Conclusion

Far too many people still live in poverty, there is still a huge divide between the rich and the poor. There are still people living without access to basic services. There is still much we can do to improve their lives.

It is for them, the people of Tshwane that we will steadfastly commit ourselves every day to ensure that the city works.

I would like to extend my gratitude to all our political partners who have supported the efforts of this government, despite our ideological differences, to support a collective developmental agenda.

Your active participation is what we need to make Tshwane a city to be reckoned with.

I reiterate that we do not have all the answers to all the challenges we currently face and we are working around the clock to ensure that all the needs of our citizens are heard, from Ga-Rankuwa to Centurion, from Eersterust to Waterkloof.

But, through our actions and through this IDP supported by the budget, we are making strides towards building a city that responds to the needs of its residents and expands freedom, fairness and opportunity for all.

It is through the stabilisation, revitalisation and delivery of this City that we can continue in earnest to build a safe and inclusive Tshwane of opportunity.

You are all our people and we are working to give you a better life.

We ask for your cooperation, support and resilience.

Together, let's work.

Forever forward, never backwards.

Change that cuts corruption, creates jobs and delivers better services is on its way.

But please be patient with us for this is only just the beginning of igniting Tshwane's excellence.

Thank you Madam Speaker and thank you people of Tshwane.