

STATE OF THE CAPITAL ADDRESS 2024

Delivered by the Executive Mayor of Tshwane, Cllr Cilliers Brink

18 April 2024

Honourable Speaker
Honourable Chief Kekana and his entourage
Honourable Chief Mahlangu and his entourage
Chief Whip of Council
Members of the Mayoral Committee
Leaders of all political parties represented in Council
Honourable aldermen and councillors
Distinguished guests
The City Manager
Officials and top management of the City of Tshwane
Members of the media
And, most importantly, our Tshwane residents
A very good morning to you all
Goeie môre, Sanibonani, Dumelang!

Thank you for helping us build on

I want to start by thanking the residents of the capital city, the honest, hard-working people from Hammanskraal to Olievenhoutbosch, from Bronkhorstspuit to Atteridgeville, who pay their bills, abide by the law and make their voices heard without violence, destruction or harm to other people.

Thank you to the community organisations and the businesses who help us clean and safeguard our streets, parks and rivers, who give their time and passion to improve the quality of life in our city. You are giving new meaning to the constitutional idea of participatory democracy. I look forward to strengthening our partnerships to build a capital city that works for all of its people.

Thank you to my fellow councillors, the best Mayoral Committee that any Executive Mayor could ask for, the ward councillors who have to face the anger and frustration of communities, but who get up every day with new determination to serve those communities all the same. Thank you to the members of the opposition who hold our administration to account, not through violence and disruption, but through the force of scrutiny and persuasion.

I am more optimistic than I have ever been before about the future of the capital city and the country. This optimism is not based on faith alone. This job has allowed me to appreciate just how much we as South Africans share a common set of values across differences of race, class and place. We have a common purpose, and we have honest, hard-working people in this city who are willing to advance that purpose above their own individual or factional interests, and who have the courage to defend that purpose against those who seek to use government only to serve themselves.

I fully appreciate that many will not share my optimism, especially residents who live in poverty and destitution, and those who feel that they have been manipulated by politicians. To them I say: We as the multiparty coalition in Tshwane are working every day to win back your trust and to fix what has been broken. But I also appreciate that what we say will be less important than what we do.

Getting control of our finances and responding to the findings of the Auditor-General of South Africa

In the last year, we have installed a new top management team whose job is to change the organisational culture of the municipality, one that drives performance and integrity in the best interest of the ordinary people of this city.

What I mean by culture is a shared sense of what is important, what is right and what is wrong.

Last year, I said that changing the leadership of an organisation is no guarantee that its culture will change. But without a change of leadership, there is little chance of changing the culture. And without a change of culture, there will be no improvement in performance. As the saying goes, when culture comes up against strategy, culture always wins. So, it pays to work on culture.

An organisation's culture is shaped one decision at a time. These decisions are usually taken under pressure. The underlying test is the following: Do I do what is right or do I do what is expedient? And, if you do what is right, can you live with the consequences? Every time this test is passed, culture changes for the better. If the test is passed often enough, culture starts to drive performance and integrity.

When people see that the right conduct is rewarded and that wrong conduct is punished, it inspires commitment, personal sacrifice, a sense of service and a dedication to excellence. If we want the municipality to play a meaningful developmental role, to change people's lives and unlock opportunities for the poor and the vulnerable, a change of culture is non-negotiable.

For the 2022/23 financial year, our audit outcome has improved from adverse to qualified. Two of the three adverse findings by the Auditor-General have been cleared, namely cash flow and creditors.

This year, we will clear the last one related to property, plant and equipment, and I am confident that we will achieve an unqualified audit. Of course, our financial rescue mission is far from complete. A great deal of work still needs to be done. The stakes cannot be higher.

A funding plan that accompanies the budget, currently out for public participation, sets out in detail how we aim to increase income and reduce distribution losses in the next two years.

According to Ratings Afrika, the City of Tshwane achieved the best improvement in financial sustainability of all metros in 2023. We implemented a budget funding plan that included difficult but necessary decisions, such as foregoing salary increases.

Even though this unleashed the most violent unprotected strike in the City's history, including unprecedented levels of criminality directed against the City, our employees and Tshwane residents, we stood our ground. And the ground did not subside beneath our feet.

Also, in line with the funding plan, we have taken the first steps towards energy independence and a new private operating model for Wonderboom National Airport. We are now in a stronger position to produce a far more detailed funding plan, including measures to reduce contracted services, and far more specific plans to reduce water and electricity distribution losses.

Our financial rescue mission is at the heart of improving service delivery. Our books must balance and we must generate a surplus from trading services. If we do not reach this point, we will not be able to generate savings and borrowings to upgrade water, electricity and sewer services. Following the less-than-satisfactory results of the in-year financial report, the Mayoral Committee adopted a Financial Rescue Charter.

This agreement between the executive and the top management of the City sets out a number of immediate measures to restore the City's tax administration capacity and to ensure that we have cost-reflective tariffs and property rates in the coming financial years.

A project management office is being established to take charge of each aspect of the City's revenue value chain. This includes the roll-out of prepaid electricity meters, the dispatching of bills, the speedy resolution of disputes, as well as credit control and debt collection measures, such as the issuing of summons against large consumers who refuse to make payment arrangements.

Our City has one of the most generous baskets of free basic services to the poor of any municipality in the country. Beyond this basket of free basic services, people must pay for the services they use. This is what **Tshwane Ya Tima** is about.

The **first message** of Tshwane Ya Tima is to thank consumers who pay for the services they use.

The **second message** is to invite those who are in arrears to make arrangements with the municipality.

The **third message** is that the City will cut off your services if you refuse to pay. We are targeting all debtors, residents, businesses and state entities. Furthermore, we will impose harsh penalties and fines for all cases of illegal connections, including criminal

charges. Just last week, the City pressed criminal charges against two residents in Garsfontein who illegally reconnected electricity at their house after they were disconnected by Tshwane Ya Tima teams.

The message is clear: We will not tolerate illegal connections and you will be arrested. There is an impression that most, if not all, people who owe the City money are largely poor and unable to pay. Having seen the geographic spread of our debtors' book, I can confirm that this is not the case.

There are folks who are relatively well off who can pay, who have no dispute with the municipality, but who prefer not to pay their municipal bills or to pay them only once in a while. This is going to end. If you can pay DSTv or the instalment of a luxury car, you can pay for the water and electricity you use, or you must make other plans. In saying so, I am not speaking on the municipality's behalf, as much as on behalf of the 6 out of 10 account holders who do manage to pay their bills on time.

As part of the work to rebuild the City's tax administration capacity, we aim to collect R6 billion of our **R23,3 billion** debtors' book in the next few months. With a new Chief Financial Officer, a project management office dedicated to the City's revenue value chain and various management changes in the Revenue Management Division, our financial rescue team is stronger than ever.

The Mayoral Committee will double down on the audit action plan, using the accountability mechanisms we have established, including a tracking committee and a consequence management committee, we will keep the pressure on the City's top management to strengthen systems and controls.

Our aim is not simply to fix what the Auditor-General has identified, but to fix problems proactively even before the Auditor-General identifies them. Following this approach, we might uncover even more irregular expenditure, but that is what happens when you clean out what has hitherto been papered over.

We will complete a cost of electricity supply study, so that we can recommend to the City Council a restructured tariff that takes into account the seasonal tariffs charged by Eskom.

The City will also be ready to implement a new property valuation roll as of the 2025 financial year. The current property valuation roll is outdated. Our aim is for cost-reflective rates and tariffs, and to keep those costs as low as possible.

Essential to this is getting better value for money from our tender system and the contracts signed by the municipality. The Supply Chain Management Policy has been simplified, in line with the review of preferential procurement legislation. We still have to implement national laws that do not necessarily create the best value for money, but at least we have done what we can within the allowance of the law to achieve better value for people's money.

As I have said, the City of Tshwane has one of the most generous offers of free basic services to the poorest of the poor (POP). This offer includes 100 kWh of electricity per month and 12 kℓ of water per month, as well as weekly waste collection.

The National Treasury has recommended to us that we reduce this offer to ease our financial distress as it is double the recommended baseline. The National Treasury is an important partner in our financial rescue mission. We value their advice and support. But after investigations, the Mayoral Committee's advice to the City Council is to maintain our offer to the POP. It is not the size of the POP offer that is the problem. It is that when this allocation is exceeded by households, the City's credit control is inadequate.

If we can implement credit control, we can sustain a generous POP offer and reduce non-payment. On the other hand, if we reduce the POP offer, but we do not do credit control, this will simply balloon our debtors' book. Improving credit control will necessarily involve the roll-out of the latest generation of smart prepaid meters that assist consumers to control consumption. We will also audit our indigent register to ensure that those who receive POP benefits are actually entitled to these benefits.

Fighting illegal connections

As I have said, the time has come when we can no longer avoid a confrontation with people who connect illegally to our water and electricity grid. An illegal connection is a criminal act – it facilitates theft and it destroys infrastructure. Often, illegal connections follow other breaches of the law, including land grabs and shack-farming. During the COVID-19 lockdown, land grabs proliferated across the country and our city was no exception.

Lockdown regulations placed a moratorium on evictions at a time when municipal land was most at risk. As a result, we have entire communities that have been established on service sites, such as the reservoirs in Mamelodi, Mabopane and Ga-Rankuwa.

Illegal connections have been made to these reservoirs, depleting the water supply and causing the taps of paying consumers in these communities to run dry. Eviction laws make it incredibly difficult for the municipality to act against this particular kind of criminality. But we will act, even if it takes longer than people demand.

The argument that if we simply provide metered services to consumers with illegal connections, they will suddenly start paying for services, is wrong for two reasons. First, once normalised, a culture of non-payment does not easily turn into a culture of payment. Second, even if we were to spend our full grant allocation for the upgrading of informal settlements, which we must, it will not be enough to turn every informal settlement into an established community that pays for services beyond the POP allocation.

The City, like many other municipalities, now pays far more to provide rudimentary services to informal settlements than we do on pipe replacements. There is no scenario in which this is sustainable. And so, we will be revising our informal settlement policy to ensure that we are not inadvertently creating incentives for the illegal occupation of land, especially land which is not suitable for human habitation.

People who live in informal settlements come to the city in hope of a better life and we must do everything in our power to help them enjoy access to services. But again, this

must be done in a sustainable manner. Also, we cannot allow criminal syndicates to occupy land and then charge vulnerable people illegal rent.

One area in which the City has not achieved success is in reducing water distribution losses. Pipe replacement projects have continued. But pipe replacements are not enough. We need an entire new way of detecting and fixing leaks, and in the medium to long term, a new funding model for large infrastructure projects. We already have the intellectual raw material, good ideas and best practices. Through our partnership with our Danish sister city, Aarhus, we have access to world-class intellectual property on water. The same can be said of the City support network of the National Treasury. The challenge is to turn these ideas into policy changes and to build a pipeline of feasible projects that we can take to potential funders.

Urban Management Plan driving service delivery

To improve service delivery following the prolonged strike, we introduced the Mayoral Urban Management Plan in November 2023. The plan concentrates on proactive maintenance along major routes, public spaces such as parks, key buildings and cemeteries.

Since the inception of the plan, we have been very focused on cleaning and repairing our city by doing the following:

- Cutting grass and neatening public spaces, cemeteries, parks and road reserves, as well as areas that you as the public have helped us identify.
- More than **12 000** potholes have been repaired, with an additional **6 000** targeted for repair by June 2024.
- Various interventions were deployed, including pruning trees, repairing equipment and conducting proactive maintenance to stabilise the electricity grid and reduce restoration times.

While service delivery is not at ideal levels, the Urban Management Plan has proved to be effective and will continue to be the driving force to improve services for the financial year ahead. Our immediate plans under this model include the following:

- We plan on extensively resurfacing part of the road network in Atteridgeville and Mamelodi.
- Repairs to the Bon Accord Asphalt Plant are in progress to accelerate the in-house production of hot-mix asphalt from June 2024.
- We have a partnership with Santam for CBD street light repairs, which will commence in May 2024 to improve illumination levels.

Critically, we continue to strive towards two key goals with regard to electricity and water outages:

- We target to restore 90% of power interruptions within 7,5 hours and to repair 90% of water leaks within 48 hours in the next financial year.

Reducing service outages and mitigating the effects of load-shedding

We have taken the first steps to achieve 1 000 MW of energy independence from Eskom by 2026.

In January 2024, Council approved the report giving permission to proceed with the 40-year lease of Rooiwal Power Station and Pretoria West Power Station after we received overwhelming support from the public.

In addition to our plans around the two power stations, a Request for Information on alternative energy solutions was issued in December 2023. This was aimed at soliciting information on transitioning to cleaner technologies and resources, as well as procuring additional energy from independent power producers. We have received 39 bids and the next step is for the bids to be evaluated.

This is major progress for the City towards energy independence and we are now well set on this path.

Hammanskraal water

Taking hands with the national government, across political party divides, we have made significant progress to restore clean water to the people of Hammanskraal.

Last year, I described the state of Rooiwal Waste Water Treatment Plant as a stain on the City's conscience. In the past year, contrition was followed by action. The partnership that the City has built with the Minister of Water has been decisive. We have set aside our lesser differences to focus on our bigger commonalities – the people who we both serve. The Development Bank of Southern Africa has been appointed as the implementing agent to upgrade Rooiwal Waste Water Treatment Plant in the next two years.

We have allocated the maximum possible amount to this end. In the meantime, the Department of Water and Sanitation has made significant progress in building a package plant on the Magalies water line. This package plant, when completed, will allow clean water to flow to people's taps.

The Deputy Mayor and Cllr Themba Fosi have met with the ward councillors of Hammanskraal to discuss what is needed now. As the package plant is being built, the City is conducting an audit of water meters in the affected area. Once the clean water starts flowing to people's taps from Magalies Water, the City will have to pay Magalies Water for this water.

Consumers will still have the benefit of the 12 kℓ free basic allocation. But beyond that, consumers will have to pay for their consumption. Already, we are making progress with the metering audit and anticipate that, once the Magalies plant is operational, it will make a fundamental difference to the lives of these residents.

We know that people do not want to receive water from water tankers. They want drinking water in the pipes delivered to their homes and we intend to deliver on this.

Partnerships with communities

We have established 17 Community Upliftment Precinct initiatives and concluded partnership agreements with several organisations. This is in line with our whole-of-society approach to take hands with communities so we can do together what we cannot do alone – fixing potholes, cutting grass and repairing street lights. If communities help the City do these things, there is no abdication of responsibility by the state.

Community partnerships cannot replace a fraction of what the municipality does on a daily basis. It can foster a sense of ownership, responsibility and contribution. Community partnerships are a form of participatory democracy – a way of accepting the reality that government does not always know best and that we do need help, so that we can enhance the quality of life in our city and give ordinary people a stake in the success of the government.

Electricity and water projects

Our electricity and water infrastructure remains the bedrock of our service delivery to residents, and it is critically important that the City continually invests in maintaining and upgrading this core infrastructure.

We have made the following progress on the electricity projects that we announced last year:

- The upgrading of Kentron Substation will be completed by 31 May 2024
- The Pyramid Substation refurbishment site handover was completed in March 2024
- The refurbishment of Wapadrand Substation panels is scheduled for June 2024

Let me make this clear. Electricity substations are not meant to burn down. According to the most basic of engineering standards, each substation must have protection equipment that shuts down the supply of electricity if a fire risk occurs. I am as frustrated and angry about every substation fire as the residents affected.

The time when we simply ask for people's patience and then fix the damage until the next fire happens is over. I have told the City Manager that every substation fire is to be treated like an extreme exception requiring full investigation. If someone's negligent or wilful conduct led to the City not taking measures that could have saved millions of rand in repairs, such a person must be held accountable for the damage.

Moving to water projects, while I have already mentioned Hammanskraal, in total, the City has allocated R450 million towards upgrading Rooiwal Waste Water Treatment Plant over a three-year period. R150 million of this first allocation is in the process of being transferred to the Development Bank of Southern Africa and the completion of Phase 1 upgrades is underway.

Other crucial initiatives for the enhancement and maintenance of water and sanitation infrastructure within the city include the following:

- Replace, upgrade and construct waste water treatment facilities – **R92 million**
- Replace worn-out water network pipes – **R66 million**
- Expand reservoirs – **R65 million**

While we are working with a constrained and limited budget, we are working to optimise the little that we have to ensure the maximum possible impact.

Townlands Social Housing Project

In partnership with the national government, we have completed the Townlands development in Marabastad. Social housing initiatives like Townlands allow people to live close to work opportunities in the inner city in a safe and pleasant environment.

The Townlands Social Housing Project is a multimillion-rand development that boasts 1 200 units of various sizes and includes modern amenities, such as a community hall, football pitch, netball and volleyball fields, outdoor gym and other recreational facilities.

The housing project offers decent and dignified subsidised rental housing opportunities that are close to the inner city, with access to transport, businesses, workplaces and schools. Last week, I visited the area and interacted with very happy residents.

One was Selina Mojela. She previously lived in an informal settlement until Townlands provided an opportunity for formal housing – proof that our administration cares for the poor.

The City is also working on three other social housing developments to assist residents:

- The Chantelle Housing Project in Pretoria North has begun construction with over 1 000 units planned.
- The Timberland Housing Project in Arcadia and the Sunnyside Housing Project are also in the planning phase.

The City has long prioritised Townlands and we are incredibly proud of this project. We will carry on building more dignified housing opportunities for our residents.

Secure and safe city

Having a safe and secure city is critical if we are to attract investment and business to Tshwane. It is also equally important that residents feel safe in the city they call home. To achieve this, the Tshwane Metro Police Department (TMPD) will form part of the City's urban management plan and will be deployed according to operational plans along the city's critical routes.

Under the leadership of the new Chief of Police and Ald Grandi Theunissen, we are taking a zero-tolerance approach to corrupt TMPD officers. Over the past year, we have forged a strong working relationship between the TMPD leadership and the Labour Relations Management Division in the City. This has been critical in launching disciplinary proceedings against officers who have engaged in corrupt activities.

Multiple cases are in progress with a number of dismissals having already occurred. Criminals who masquerade as police officers have no place in our city.

Booze Bus

In our efforts to fight drunk driving and the dangers associated with it, the TMPD has introduced the use of a new alcohol testing bus. The bus is a multipurpose vehicle that functions as a mobile alcohol testing centre and can also be used to check outstanding traffic fines. The alcohol testing is a game changer in our road policing and will assist the City to prevent drunk driving incidents.

Mobile vehicle testing stations

The TMPD's mobile vehicle testing stations are once again operational, conducting on-the-go vehicle inspections and enhancing public safety on our roads. Mobile vehicle testing stations are a vital initiative aimed at promoting road safety and ensuring compliance with vehicle regulations.

Emergency Services Department

Our Emergency Services Department continues to be a source of hope for our communities in their times of need. Our teams are the first to arrive on the scene to land a helping hand. For the 2023/24 financial year, our Emergency Services Department teams responded to more than 2 000 fire incidents in the city and serviced 8 417 calls. We will continue to answer more calls and assist our residents when they need us the most.

Job opportunities and supporting the youth

This year, I have tried to visit as many local businesses owned by young people in the city as possible and to support them by giving them public exposure. I have been to **Sphahlo Paleis**, **Embedded** clothing store at 012 Central as well as **Wing Republic**, to name a few. It is important that we support local businesses that bring investment to the inner city and, most importantly, provide work opportunities to young people. What I see when I visited these sites is young people who have hope for the future.

Through the Expanded Public Works Programme, we have created **20 922** job opportunities in the City this year.

Furthermore, through the Public Employment Programme, the City created just over 7 400 additional job opportunities. These beneficiaries were placed in various projects and departments across the City.

Last year, we obtained Council permission to use our Expanded Public Works Programme to enhance the skills of trained artisans, people at the frontline of service delivery. A total of 71 young people were trained and fully accredited at the Tshwane Leadership and Management Academy.

The training ranges from electrical work, vehicle mechanic (diesel and petrol) repairs, welding, fitting and turning, boiler making and plumbing. Those young people are now working as interns in the City.

I have asked Cllr Kingsley Wakelin to see what policy reforms we should consider, so that when these young people are finished with their internships, the City can offer them some kind of pathway to employment. It does not help us to spend resources on growing our own talent, only to lose them to the private sector once they have learnt the ins and outs of the municipality.

Economic growth

Big developments are happening in the city. And that is good, because it is a vote of confidence in the city's future. Two blocks from here, the Reserve Bank is investing billions to create a financial precinct, not in Sandton, but in the Pretoria CBD. Then there is also Salvokop precinct and the Justice College across the road.

Big private developers are also expressing confidence in the future of the capital city. Their investments help us to build roads, storm water and other infrastructure we do not now have the money to build ourselves. We need more big developments. But we also need to make it easier for small developers to build in our city.

I do not believe that the City is friendly enough to the business community. In the engagements that Ald Hannes Coetzee and I have had with developers and architects, they have continued to express frustration with the pace at which we process applications and manage our systems. This is why I want to make sure that we prioritise the recruitment of city planners for the City in the next financial year. This is a core skill we require if we are to improve our relationship with the business community.

The Tshwane Automotive Special Economic Zone is doing extraordinary work and is a shining example of how collaboration across the spheres of government can drive development and investment.

Areas for improvement

Just as important as it is to reflect on successes and progress, it is equally important to admit our failures.

We have not succeeded in securing our infrastructure against criminal attacks, but we have learnt a number of important lessons. The current system of appointing expensive security contractors to guard our assets does not work. Very often these companies have no security footprint in the communities where assets have to be guarded. There is no cooperation with community policing forums and local security structures.

Often, the City and the security companies we appoint are blind to what is happening on the streets and in communities around our substations, reservoirs and other important service installations. This creates a security gap in which criminals thrive. We need to close that gap by deploying camera and motion-detection technology that

has now become remarkable commonplace and affordable. But technology is not enough. We also need the capability for the rapid deployment of armed response.

We have also not succeeded in improving public lighting. In fact, in some parts, the city is now darker than it was before. For too long, we have expected electricity teams, who attend to outages and repairs and maintenance on our network, to do work on public lighting.

As the pressure caused by load-shedding, cable theft and vandalism has escalated, so fewer and fewer people and resources have been dedicated to street lights and apollo. And so, we will establish a separate section inside the municipality, with its own personnel and resources, dedicated to street lights and apollo, because public lighting is important enough to be someone's full-time job.

However, we have also discovered that parts of the street light network are particularly vulnerable to faults and are very high maintenance. And so, we propose to dedicate 30% of the street light budget in the next financial year to roll out solar street lights. Whatever technology is sourced will be tested first, and we will look to potential partnerships to enable us to roll out solar street lights faster than the City can do on its own.

Further, the implementation of the new SAP S/4HANA system in the City has not been smooth and has caused significant delays in various aspects of the City's operations. The implementation of new ICT systems in our City must be done with as little disruption as possible. SAP S/4HANA has incredible potential for the City and could significantly help us to address concerns raised by the Auditor-General.

City stars

When I took office, I spoke about the need to change the work culture to that of high values and performance. I am always pleased to acknowledge those who go the extra mile in ensuring that the City carries out its mandate.

One such individual is **Veronica Maredi**. She is a roads and transport artisan in Region 2. Not only does she work in a male-dominated field, but no job is too big or difficult for her. She goes beyond the call of duty with limited resources to ensure that all customer complaints related to roads maintenance and repairs are responded to timeously and to the satisfaction of the community.

We also have **Daddy Chauke**, a Chief Engineer for energy and electricity based at Waltloo Depot. We continuously receive positive feedback from councillors regarding his services. He is always available and willing to help. Another is **Ben du Toit** in Region 4 who is exemplary at resolving electricity outages.

Another colleague doing good work is **Lesiba Thupudi**, who assists with all manner of billing queries. Lesiba is very responsive, always provides feedback and has a high resolution rate for all queries.

We then move higher up the ranks. **Mr Gareth Mnisi**, our Chief Financial Officer, has worked extremely hard to assist the City to improve its audit outcomes. Also, our new

Chief of Police, **Commissioner Yolanda Farro**, has been exemplary in restoring discipline to the TMPD and driving by-law operations across Tshwane.

I want to thank all these committed colleagues. I know there are many more hard-working employees. Please continue to do your best. Your services are appreciated.

Conclusion – Building a City that works

In the coming weeks, the city will go through a national election, which could well lead to significant changes in the political landscape of our country. I want to indicate that while this is happening, our team in the City of Tshwane is fully committed to the work we are doing in this city.

The question of the effectiveness of coalitions will be raised, of this I have no doubt. In the City we have shown that, in the face of extremely difficult circumstances, we can continue working and continue building.

I am not complacent. I am committed towards demonstrating that a stable coalition can be an example to the country and to the province. In the City we have political stability and I want to thank our committed partners.

As a coalition it is our intention to build a City that works for all the people of Tshwane – one that delivers services, responds to its residents and plots a future of hope and prosperity for those who live in it.

A re e ageng!

Let's build a City that works, together.

