



Office of the Executive Mayor

Block B | 2nd Floor | Tshwane House | 320 Madiba Street | Pretoria
PO Box 440 | 0001
Tel: 012 358 4903
Email: sallym@tshwane.gov.za | www.tshwane.gov.za | www.facebook.com/CityOfTshwane

Budget speech
Cllr Randall Williams
Executive Mayor, City of Tshwane

20 May 2021

Tshwane Budget 2021/22 is geared towards stabilising the City's finances and driving quality service delivery.

Greetings and acknowledgements

Madam Speaker,
Honourable Chief Kekana and his entourage,
Chief Whip of Council,
Leader of executive business,
Members of the Mayoral Committee,
Chair of Chairs,
Chairpersons of Section 79 committees,
Leaders of all political parties represented in Council,
Honourable aldermen and councillors,
Officials and top management of the City of Tshwane,
Members of the media,
And residents of Tshwane

Introduction

Welcome to you all and thank you for joining me today.

It is a great honour and a privilege to deliver this Budget Speech before this chamber. This Budget Speech comes after our State of the City Address where we highlighted and reflected on the journey that we have taken as this administration to restore hope and deliver quality services to our residents.

Madam speaker,

It is a fact that the city we inherited as this administration had been badly neglected by the administrators that had been illegally appointed by the provincial government. We found that in many cases core service delivery had effectively stopped, threatening the livelihood of our residents.

Furthermore, the city finances were in a dire state requiring urgent attention. We found a massive budget deficit of over R2 billion when we took office in November 2020. This meant that stabilising city finances became a core goal for this administration to enable us to deliver quality services to our Tshwane residents.

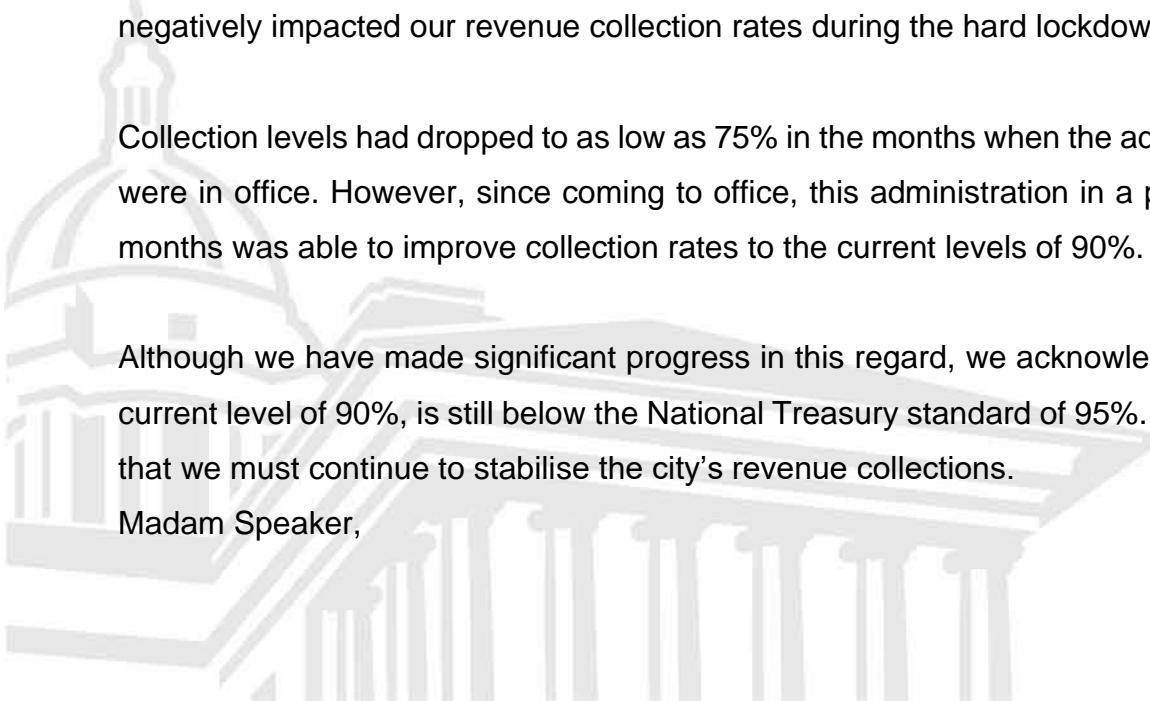
Indeed, Madam Speaker, our efforts are reflected in the 2021/22 budget that we are presenting before this council. It is a budget that is geared towards stabilising the City finances and driving quality service delivery.

As a City we also faced the global challenge of the Covid-19 pandemic which negatively impacted our revenue collection rates during the hard lockdown period.

Collection levels had dropped to as low as 75% in the months when the administrators were in office. However, since coming to office, this administration in a period of six months was able to improve collection rates to the current levels of 90%.

Although we have made significant progress in this regard, we acknowledge that the current level of 90%, is still below the National Treasury standard of 95%. This means that we must continue to stabilise the city's revenue collections.

Madam Speaker,



The truth is, even before Covid-19 and its subsequent negative impact, South Africa was already in a technical recession. The pandemic worsened an already difficult period in our country with rising unemployment and poverty levels.

Given the strain on the national fiscus we can expect to see a decline in the allocation to the Provincial and Local Government spheres. Municipalities in South Africa are expected to be largely self-reliant on own income and revenue generation to provide basic services.

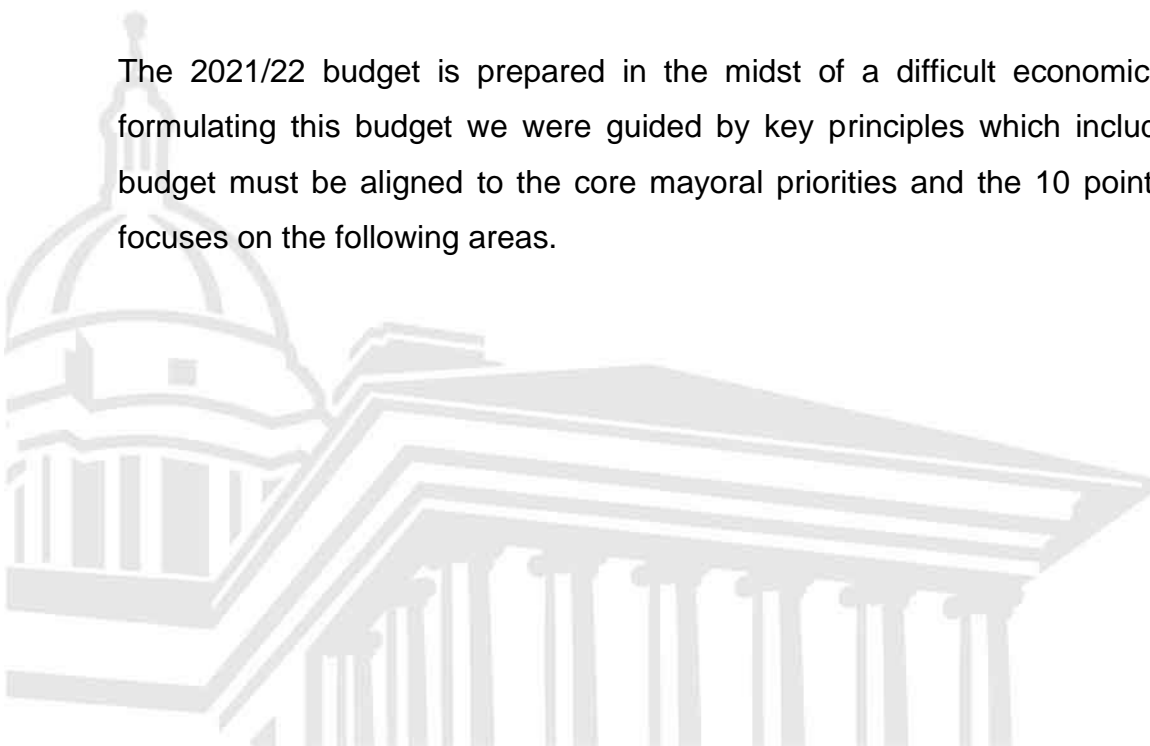
Confronted with all these challenges it is important that we work smart with the limited resources at our disposal. This will require us to focus our attention on creating a budget which focuses on core service delivery priorities which are informed by the needs of our communities.

Madam Speaker,

Our work had already begun on this, through this council passing an adjustment budget that looked to stabilise city finances and better align our resources to deliver key services to our people for the remainder of the 2020/21 financial year.

We then had to formulate a strategically viable and sound 2021/22 budget informed by our objectives and priorities as set out in the Integrated Development Plan (IDP). This specifically speaks to providing a budget that is strategically and financially credible. However, it must also be affordable.

The 2021/22 budget is prepared in the midst of a difficult economic climate. In formulating this budget we were guided by key principles which included that the budget must be aligned to the core mayoral priorities and the 10 point plan which focuses on the following areas.



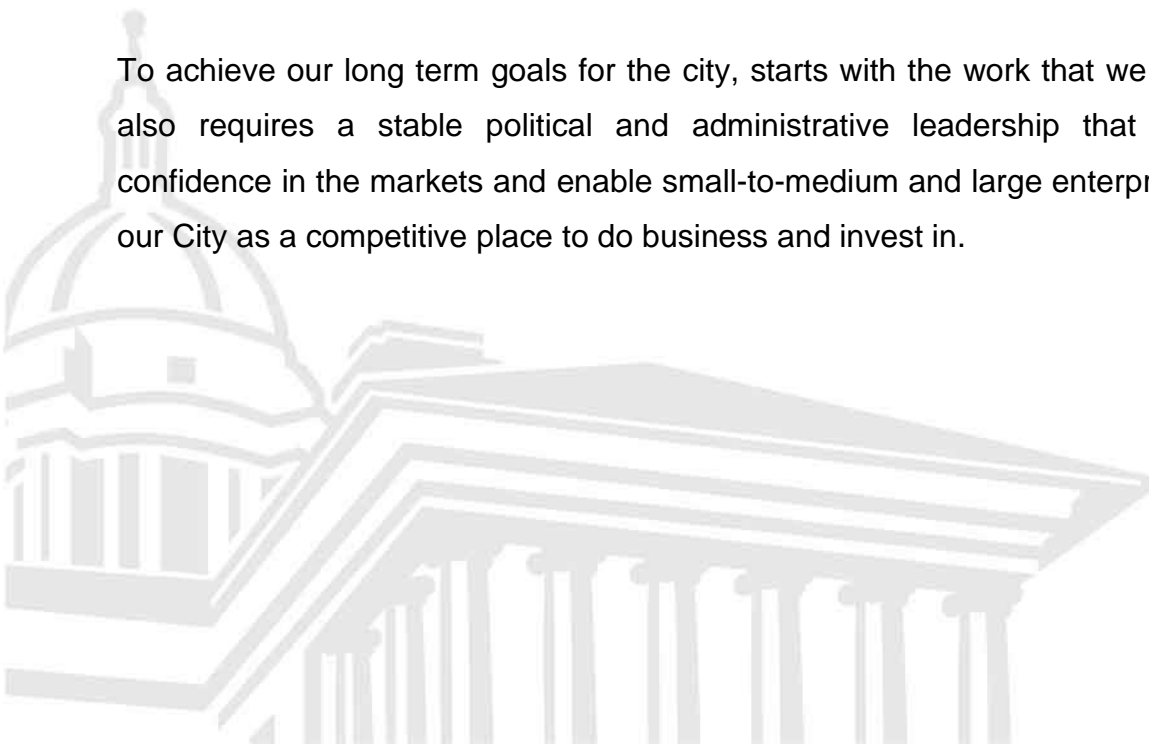
1. Prioritization of the electrical grid and water infrastructure.
2. Implementation of a robust Covid-19 management strategy.
3. Creating a reliable waste and refuse removal service.
4. Providing stringent financial management and oversight.
5. Enhancing city safety and emergency services.
6. Promoting employment and economic growth in the city.
7. Supporting the vulnerable and providing social relief.
8. Fast tracking development by cutting red tape.
9. Expansive financial cost cutting across city processes.
10. Maintain and expand road infrastructure.

The task before us, Madam Speaker, is not an easy one. We must restore hope to Tshwane residents through quality service delivery guided by a sound budget. However, it's a task that we are ready for and the budget that has been prepared is a demonstration of our commitment to making Tshwane financially stable, safe and a city that delivers to its residents.

Balancing the finances of the city is crucial in helping us to strengthen our relationship with financial institutions such that we can improve our credit ratings and access finance that we can use towards growth and development of the city.

It is indeed our long-term vision to see Tshwane become a hub of opportunities for our residents. Such opportunities will be enabled by growing the city economy and creating jobs to ensure an inclusive society where as many people in the City can share in its economic viability.

To achieve our long term goals for the city, starts with the work that we do today. It also requires a stable political and administrative leadership that will inspire confidence in the markets and enable small-to-medium and large enterprises to view our City as a competitive place to do business and invest in.



We put before this Council a 2021/22 budget that is financially viable and one that is fully funded. This is a sound and realistic budget, that sensibly allocates expected revenue to the achievement of core service delivery priorities as set out in the Integrated Development Plan.

In compiling this budget, the City had to adjust its spending levels downwards after taking into consideration the projected decline in revenue collection. The reality is the city has seen a decline in its revenue collection, this as an increasing number of customers are defaulting on their municipal accounts.

Unfortunately, the culture of non-payment remains a challenge that we need to address urgently. During the period under which the city was under administration we did not receive payment from 28% of billed monthly municipal accounts and this makes up 72% of the debt owed to the City.

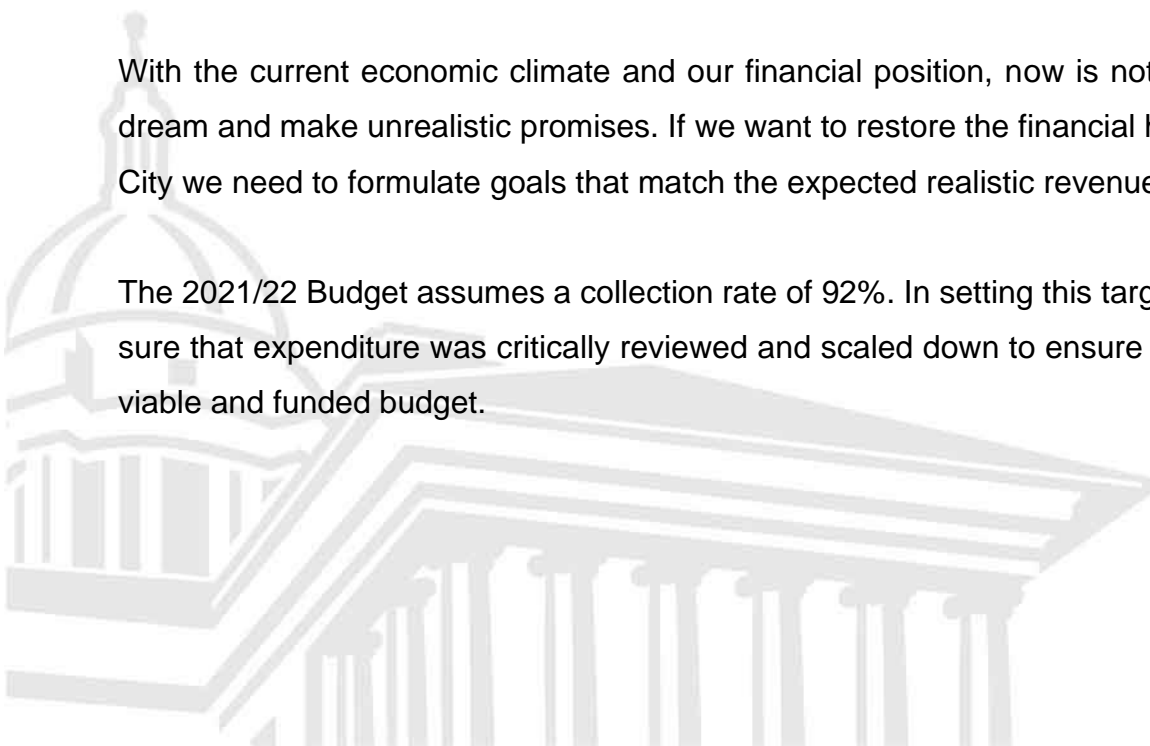
This led to the debtor book to increase significantly from R12,6 billion as of 30 March 2020 to R17,1 billion as of 30 October 2020, this can be attributed to the drop in payment levels.

As a City we need to take responsibility, including all of us here in council, to collectively encourage customers to pay for the services they consume.

Furthermore, as the administration, we have put plans in place which include fast tracking the installation of prepaid meters, removing illegal connections and implementing appropriate debt collection actions.

With the current economic climate and our financial position, now is not the time to dream and make unrealistic promises. If we want to restore the financial health of the City we need to formulate goals that match the expected realistic revenue targets.

The 2021/22 Budget assumes a collection rate of 92%. In setting this target we made sure that expenditure was critically reviewed and scaled down to ensure a financially viable and funded budget.



Madam Speaker,

The City is tabling an operating revenue budget (excluding capital grants and contributions) of R39-billion, which escalates to R43, 5-billion in 2023/24. The revenue represents an increase of 4.1% against the 2020/21 Adjustment Budget.

The operating expenditure amounts to R39-billion, an increase of 4.1% against the 2020/21 Adjustment Budget, resulting in a surplus of R9.4 million for the 2021/22 financial year. The City is also tabling a Capital Budget that amounts to R3.7 billion for the 2021/22 financial year, R3.8 billion for 2022/23 and R3.9 billion for 2023/24.

Rates and Tariffs

This budget has been prepared with the intention of keeping rates and tariff increases as low as possible through identified cost cutting and savings.

The City therefore took a firm decision to keep increases within our control as low as possible. Property rates will increase only by 2% while refuse removal charges will increase by 4.1%.

The property rates increase we are proposing is the lowest in the city's history and we have noted the positive feedback that has been received from residents in this regard.

Of particular concern, however, was the steep increase of 15,63% in the cost of bulk purchases from ESKOM effective 1 April 2021. The City has no other choice but to pass this cost increase on to customers and a tariff increase of 14,59% effective 1 July 2021 is proposed in the 2021/22 budget.

Similarly, the City is bound by the tariff increase for bulk purchases of water from Rand Water compelling the City to increase the water tariff by 8% while sanitation charges will increase by 10%.

It is important to note that water and electricity tariffs are mainly influenced by the Rand Water and Eskom tariffs respectively. As the consumption of electricity, water and by implication, sanitation, can be managed by residents I implore you to manage and track your consumption.

Furthermore, all residential properties are not charged any property rates on the first **R150 000** of the value. This comes at a cost of **R965 million** to the city, in terms of forgone revenue as part of our social relief programmes.

Registered indigents households pay no property rates and continue to benefit from other social relief benefits offered by the City. Our total social relief value to registered indigents households amounts to **R1.4 billion**.

Cost containment measures

As a caring administration, fully aware of the economic difficulties faced by our country, we are committed to doing all we can to ensure that the City of Tshwane is an affordable place to live.

We have implemented several cost containment measures during the budget process and these will be strictly monitored.

Our cost saving measures include the following:

- A limited number of critical vacancies were considered in order to ensure service delivery is maintained.
- No overtime will be processed unless for essential services.
- Measures must be put in place to manage the cost of bulk purchases downwards.
- Departments are required to review all contracts for value for money.
- All leases and rental buildings must be renegotiated.
- Fleet contracts must be reviewed for better rates and value for money.
- Market analysis should be conducted before a tender is issued or a quote is requested.
- The appointment of consultants will be strictly monitored and focused towards revenue enhancement initiatives and the implementation of capital projects.
- Budgeting for all events has been severely restricted and centralized under Marketing and Communications

In addition to our cost containment measures, several key guiding principles for the budget were also implemented as follow:

- Projects and programmes will be implemented within affordability limits.
- Only projects that are ready for implementation will be prioritized in the 2021/22 financial year.
- The operating expenditure baseline was reduced, and the focus will be on efficiency gains and the principle of value for money (doing more with less, while prioritising service delivery).
- Where needed programmes will be deferred to the outer years in order to ensure that the City approves operating expenditure in line with realistically anticipated revenue.

Electricity and water infrastructure investment

One of the biggest aims of our 2021/2022 budget is to invest in Tshwane's future. As such we are pushing to spend as much as we can in building and refurbishing the infrastructure that is the backbone of our City.

The budget allocation for our Utilities department is one that will accelerate our gains and ensure that Tshwane's future will be secure and prosperous.

The Utility Services Department (USD) looks after the bulk provision of both electricity, water and sanitation. The power that fuels our homes and economy and the water that sustains our beautiful City.

It is a key department when it comes to building a successful and functioning municipality as it provides residents and businesses with critical infrastructure.

That is why in the 2021/2022 budget we have made provision for **R1,176 billion** for the Utility Service Department's Capital budget. That is over 31% of the total CAPEX budget for the City, showing that our words are backed by real investment.

A few of the broad investment areas for both new infrastructure, maintenance and refurbishment are:

- Replacement of worn out water pipes – R95 million
- Electricity for All – R93 million
- Streetlights – R95 million
- Smart Prepaid meters – R45 million

R95 million into replacing worn out water pipes does not only prevent bursts and the resulting water outages, but it also decreases water leaks, which means less water is lost, saving the City money and preserving this key resource.

Our effort to secure R95 million for streetlights will go a long way to brightening our City and making a visible difference in the lives and safety of our residents.

We are also investing heavily into developing the infrastructure in specific areas of our City which are rapidly growing, they are:

- Soshanguve substation upgrade – R25 million.
- Ekangala sewer reticulation and toilets – R78 million.
- Kudube sewer reticulation – R60 million.
- Mamelodi water and sanitation services – R48 million.

Our government is one that cares about all regions of the City, and we are serious about committing the budget, such that it will make a major improvement to the lives of our residents.

We are directing significant resources to resolving the challenges our City in terms of critical water infrastructure.

- Rooiwal Waste Water Treatment Works (WWTW) finalization of Phase 1 upgrades – R124 million
- Klipgat WWTW Upgrade – R85 million
- Bronkhorstbaai Water Purification Plant – R75 million
- Water Conservation and Demand Management – R90 million

Madam Speaker, I acknowledge that there is still more work that needs to be done to fix the serious issues facing many parts of our City when it comes to water provision and our treatment of waste water. It is a core priority which we are tackling from multiple angles.

It is critical that we maintain this infrastructure and refurbish it properly. To do so requires long-term planning and preparation so that we can ensure that we forecast our needs well into the future and budget in advance to allocate the appropriate funding for the maintenance and development of our infrastructure.

Our Utilities department is on the front line of providing core service delivery and is a crucial department in maintaining and developing critical infrastructure.

Enhancing core basic service delivery

Madam Speaker,

The City of Tshwane has a core responsibility to ensure that we provide basic service delivery. There are everyday operational matters that must be prioritized in order for us to provide quality services to the residents of our city.

This is driven by our Regional Operations Centre (ROC) which has the responsibility for various activities across the city.

With an allocation of **R900 million** the ROC will be ensuring that we maintain our infrastructure through the following interventions.

Electrical grid infrastructure repairs and maintenance is budgeted at **R245 million** which is critical when we are responding to electricity outages. Our streetlights maintenance is allocated **R90 million** to be proactive in keeping our city illuminated, we are tracking this on a daily basis so that we create a well-lit and illuminated city.

Maintaining our water infrastructure is vital in keeping our water distribution losses to a minimum. Water leaks have been allocated **R72 million** alone to ensure that our plumbers can stay on top of pipe bursts as they occur.

We have also allocated **R67 million** for sewer maintenance to address blockages and protect the sanitation system.

When it comes to Roads Maintenance an amount of **R137 million** is allocated. This includes reactive maintenance to the value of **R62 million** which looks to address potholes and road repairs.

Resurfacing has allocated **R25 million** to ensure we keep our roads at an acceptable standard. We maintain our commitment to eradicating sinkholes across the city with an amount of **R28 million** repairing these areas.

Keeping our city looking neat is crucial to inspire confidence and pride in the municipality. As such horticultural services, grass cutting and pruning is allocated approximately **R76 million** to cut grass at city parks, sidewalks, pavements and open public spaces so that our city looks beautiful and manicured.

A further R48 million will be focused on particular facilities such as cemeteries, libraries, swimming pools and sporting facilities so that they are maintained at an acceptable standard for our residents.



We are also pushing a micro-upgrades program for wards across the city. This will aim to ensure that we can do mini-projects in wards such as the installation of traffic calming measures such as speed humps, traffic circles, fencing of facilities, streetlight or traffic light installations. It will demonstrate visible service delivery to our residents based on inputs they have sent through to their ward councillors.

This is the first such ward development programme that has been implemented in the city. I want to thank all those ward councillors who participated and who sourced and submitted inputs.

These funds are spread out across facilities and locations in the city's seven regions so that all residents benefit from quality service delivery. We have crafted a budget that is inclusive and provides services to all who live in Tshwane.

Driving inclusive economic growth

Madam Speaker,

We are committed to charting a path towards a more resilient Capital City through our Economic Development and Spatial Planning department.

We have directed **R59,4 million** towards proactive and reactive repairs and maintenance work on aging buildings and other properties across the City. These will ensure that the city properties are compliant with occupational health and safety standards conducive for both the public and employees to operate in. These include office buildings, the Fresh Produce Market, customer care centres as well as community halls.

A total of **R29,9 million** will be channeled towards cleaning services to ensure that the City's properties meet the hygiene standards required by law. These funds will also be expanded in activities aimed at curbing the spread of Covid-19 across the City's facilities.

A number of CAPEX projects to the value of **R14,7 million** are proposed for the 2021/22 financial year aimed at positioning the Fresh Produce Market to render an improved service. The market will undergo various repairs and maintenance projects

including the upgrading of security services and the aged ICT infrastructure and the development of a disaster recovery site for the market's ICT infrastructure to ensure continuity during disaster. A turnover of **R3,494 billion** has been budgeted for the Fresh Produce Market for the 2021/22 financial year.

Another major focus is the Tshwane Automotive Special Economic Zone. Phase 1 bulk infrastructure rollout has a budget allocation of **R60 million**. This will ensure that the City has a sustainable infrastructure led economic recovery and growth plan.

We are also strengthening City Planning and Building control to assist in driving economic growth. The Development Compliance and Legislation Section within the department has been allocated **R5,4 million** for functions including the Municipal Planning Tribunal and the review of the Land Use Bylaw. Our Land Use Scheme and Toponymy Section is allocated **R24,5 million** which includes the cost for reviewing the Tshwane Land Use Scheme.

The department is also in the process of activating a number of tourism initiatives including the Cullinan Diamond Mine Museum and the rebranding of the unique Township Tourism Offerings.

Efficient, effective and affordable transport services

Madam Speaker, the Roads and Transport Department forms a core part of our plans to deliver quality and mobility efficient services to Tshwane residents. It is entrusted to ensure the provision of a safe transport system and well-constructed and maintained road infrastructure network in the City.

The department aims to achieve this by addressing road construction and storm water infrastructure backlogs. The departments' plans also include the provision of the Integrated Rapid Public Transport Network (IRPTN).

Our successful planning and implementation of the IRPTN network infrastructure has been the backbone of the BRT system and we intend to continue further into the new financial year.

The funding of this infrastructure is critical to the Capital City having an efficient transport system.

- BRT Transport Infrastructure – R408,7 million.
- Automated Fare Collection – R10 million.

- Storm Water Drainage Mahube Valley – R20 million.
- Upgrading of Road from gravel to tar in Ekangala (Ward 103, 104 & 105) R45 million.
- Upgrading of Sibande Street in Mamelodi – R15 million.
- A Re Yeng operations have been allocated R20.3 million.

The City of Tshwane has the objective of developing an Integrated Transport System that meets the needs of all the people of Tshwane in a sustainable and affordable manner. This is why we are extending A Re Yeng operations to enable better access to public transportation across the city.

We have also prioritized interventions pertaining to Wonderboom airport. The Capital City must have a commercially viable and well administrated civilian airport.

Wonderboom National Airport is a strategic asset for the City, however it is in need of critical infrastructure upgrades to leverage its economic potential fully.

Working with Airports Company South Africa we are investing significantly in the development of the airport.

Keeping Tshwane clean for a healthy environment

Madam Speaker,

One of the biggest aims of the 2021/2022 budget is to invest in Tshwane's future, to do so we strive to ensure that we work in a clean and healthy environment.

This is a task that is entrusted to the Department of Environment and Agriculture Management. The department's work includes improving the City's aesthetics, protecting our natural environment and to facilitate appropriate development initiatives in rural areas of the City through food security interventions.

The department's three divisions; Waste Management, Environmental Management and Agricultural Management Services have a number of key deliverables which include the following.

- Introduce an improved waste collection model.
- Provide a more efficient management model for landfills and garden sites.
- Intensify fight against illegal dumping.
- Further expand waste collection services.
- Continue upgrading resorts and reserves.
- Ensure all City departments comply with environmental regulations.
- Improve support to small scale farmers by introducing new innovative farming methods and increase access to markets.

To deliver on our mandate, the operational expense allocations to the department's 2021/22 budget are as follows:

- R626 million for household refuse removal, including informal settlements.
- R43 million for clearing of illegal dumping and rehabilitation.
- R74 million for management of landfill and garden sites.
- R1,8 million for agricultural programmes and projects.
- R32 million for departmental infrastructure maintenance.

While a large portion of the department's budget allocation goes towards operational expenses, it also has capital investment projects to carry out which include the following.

- R3,5 million to upgrade infrastructure at Booysens Nursery.
- R500 000 for improvements at Heatherly Cemetery.
- R10 million for the construction of internal roads at the Centurion Cemetery.
- R15 million for the provision of waste containers to support household refuse removal.

Another key performance area for the department is to work towards improving revenue collection. This comes as the Covid-19 pandemic has had a major impact on revenues from resorts and reserves.

The department is now hard at work to safely increase the number of visitors while still adhering to Covid-19 regulations. It is a major driver of tourism as it draws people to our city which stimulates economic growth.

We are fully committed towards safeguarding the environment and protecting our natural resources in the municipality. In doing so we will continue to prioritise the cleanliness of the City of Tshwane and advance quality service delivery.

Advancing primary healthcare in the face of Covid-19

Madam Speaker, City of Tshwane health officials have had to function under testing conditions since the first appearance of the COVID-19 pandemic as they have had to acquire additional skill sets to deal with the virus and prevent its spread.

Despite being at the forefront of the battle against the pandemic, they still maintained a high level of service delivery at clinics, in municipal health provision and in other areas of their responsibility.

The 2021/22 budget for the Health Department is aimed at improving access to primary healthcare services and ensuring that the standard of those services remain at a high level.

The operating budget of **R541 million** is intended to cover the running costs of the Health Department. This includes ensuring the smooth running of clinics, and providing efficient municipal health services, health promotion campaigns and the drug and substance abuse programme of the City.

The provision of municipal health services remains the primary responsibility of the Health Department and requires the highest priority. The Municipal Health Services Section is responsible for enforcing compliance with 12 different pieces of health legislation developed on national level, as well as various by-laws on municipal level.

Their purpose is to ensure a safe and healthy environment for all the residents of Tshwane. This includes food safety and security, safe water provision, environmental protection, such as noise and pollution control, as well as awareness and health promotion campaigns. The latter is best illustrated by daily visits to hotspot areas to screen and test people for COVID19.

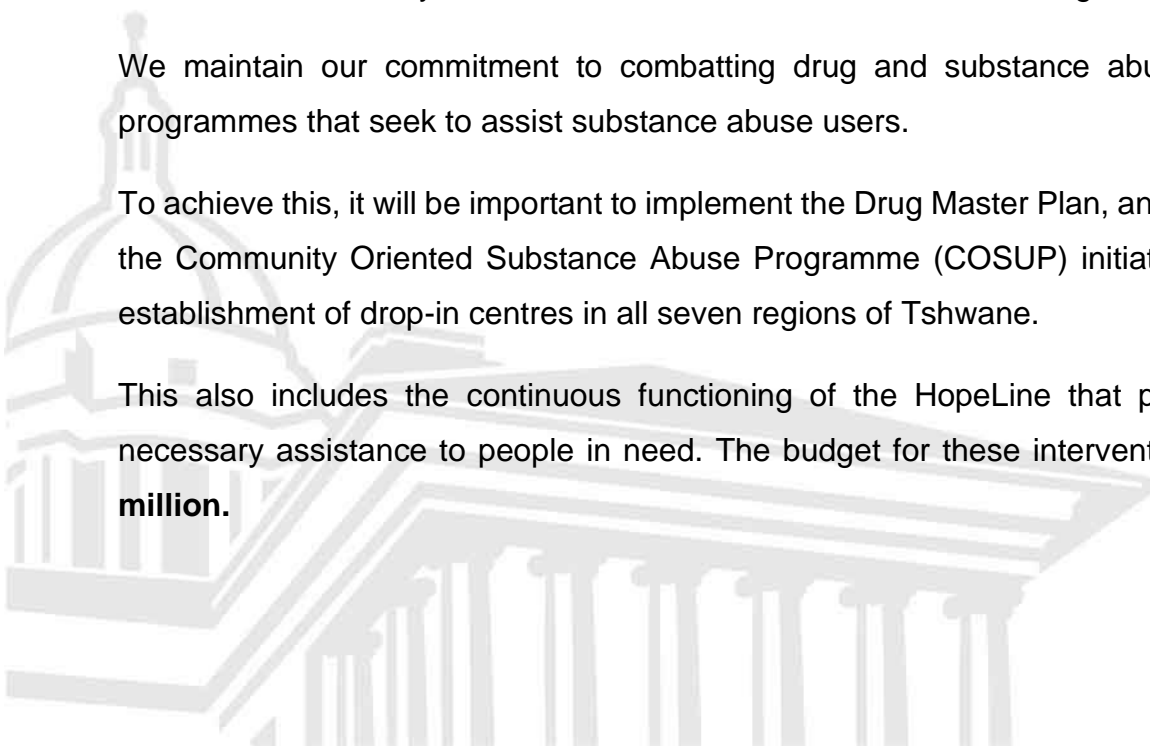
Although the provision of primary healthcare is a delegated responsibility from the Gauteng provincial government, Tshwane's 24 municipal and two mobile clinics fulfil an important role to provide quality healthcare services to Tshwane communities. Clinics are measured against certain criteria (Ideal Clinic Programme) on a regular basis and graded accordingly.

It makes me proud that all 24 clinics currently have Ideal Clinic status. What makes it even more noteworthy was that this was sustained amid the challenges of Covid-19

We maintain our commitment to combatting drug and substance abuse through programmes that seek to assist substance abuse users.

To achieve this, it will be important to implement the Drug Master Plan, and to support the Community Oriented Substance Abuse Programme (COSUP) initiative and the establishment of drop-in centres in all seven regions of Tshwane.

This also includes the continuous functioning of the HopeLine that provides the necessary assistance to people in need. The budget for these interventions is **R33 million**.



The fight against HIV/AIDS/TB & STIs will continue by amongst others, implementing door-to-door awareness initiatives as well as strengthening the multisectoral response. A budget of **R24 million** is available for these services.

Tshwane remains a hub of economic activity that encourages an increasing number of people to relocate to the city looking for jobs or other economic opportunities. This also impacts on health services and provision needs to be made to service the medical needs of a continuously growing Tshwane population.

A large part of the **R62 million** departmental capital budget is allocated to the construction of Lusaka Clinic in Mamelodi West. Communities have for some time requested additional clinic facilities in this area due to the area's population growth.

We are also upgrading our management systems. The old manual filing system to keep records of patients has become increasingly ineffective. To ensure effective record-keeping of an increasing number of patients, it became imperative for the health workflow system to be electronically upgraded which is also prioritised in the department's budgetary allocation.

The Health Department will remain under pressure as the end of the COVID-19 pandemic is not yet in sight. In addition, it is expected that significant time, effort and resources will be used once the department is actively involved in the vaccination process. This will require joint coordination between multiple spheres of government.

I want to call on all Tshwane residents to fully support our frontline health officials in their work over the coming months.

Community and Social Development Services on track

Madam Speaker, I am pleased to state that the Community and Social Development department is making good progress on its budgeted projects including allocations for the 2021/22 financial year.

The upgrading of Refilwe Stadium has been allocated **R27.7 million**. To date, **R5 million** has been spent, with a further **R3 million** already committed before the financial year ends. This is a multi-year project.

The development of Caledonian Stadium has been allocated **R35 million**. With the recent appointment of consultants and contractors.

In terms of economic growth and job creation, the Community and Social Development Services Department has been allocated grant funding of **R70.1 million** to create Expanded Public Works Programme(EPWP) work opportunities within the City. This budget is also going to implement the Gata Le Nna Programme that has a target of creating **17 975 work opportunities**.

Furthermore, the Community and Social Development Services Department has been allocated a budget of **R4.6 million** for the food bank programme. This is to ensure that the poorest of the poor are catered for and included in terms of being provided with a basic food supplies.

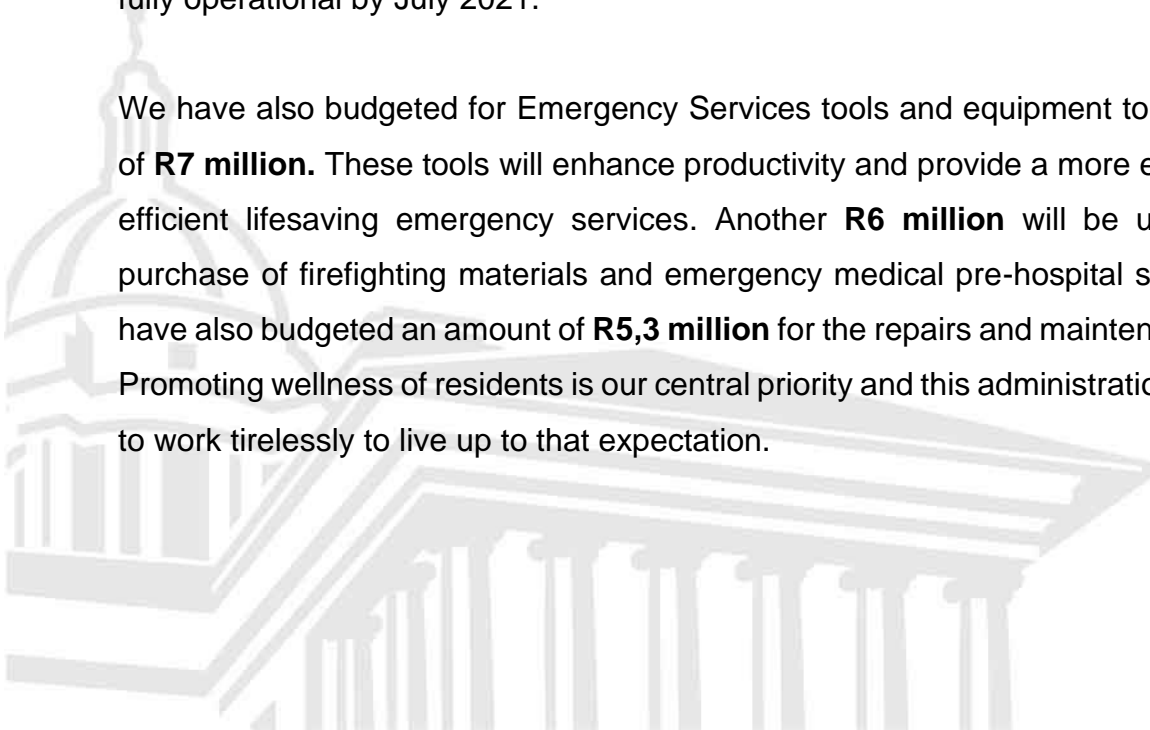
Creating a safe and caring city

Madam Speaker, the creation of a safe and caring city is critical if we are to attract investment and businesses to Tshwane. To do this requires that we properly capacitate our departments so that we can enforce our by-laws and respond appropriately when tragedy strikes in the city. The Emergency Services Department is an integral component of the City of Tshwane Community Safety Cluster tasked to promote, protect and sustain lives and livelihood, resources and property.

The Emergency Service Department's **2021/22 capital budget stands at R13 million** and while the **operating budget is at R898 million**.

This budget allows EMS to respond to the community needs in in an effective manner. One of our highlights is the new Mamelodi Emergency Services Station which will be fully operational by July 2021.

We have also budgeted for Emergency Services tools and equipment to the amount of **R7 million**. These tools will enhance productivity and provide a more effective and efficient lifesaving emergency services. Another **R6 million** will be used for the purchase of firefighting materials and emergency medical pre-hospital supplies. We have also budgeted an amount of **R5,3 million** for the repairs and maintenance costs. Promoting wellness of residents is our central priority and this administration continues to work tirelessly to live up to that expectation.



The Tshwane Metro Police Department is also at the forefront of helping to keep our residents safe through by-law enforcement, traffic policing and crime prevention. The 2021/22 budget provides for an operating budget allocation of **R2.7 billion** for TMPD.

Madam speaker, we remain committed to launching the first dedicated Inner City Policing Unit in a major metropolitan city in the country.

The work has already began, we have secured a site for a satellite Tshwane Metro Police Department station, which will be based in the inner city and be supported by 100 Tshwane Metro Police Department officers.

As a reinstated administration that is only six months into the job, we consider this to be a massive achievement and progressive step for our city when it comes to active crime prevention.

Finding sustainable housing solution

Madam Speaker as we make advances in offering safety for our residents and fighting crime, our Human Settlements Department is also playing a crucial role in facilitating development and sustainable housing across Tshwane.

Our City has a total of 227 informal settlements spread across its seven regions, with an estimated 345 710 households living in informal settlements. It is worth noting that this is not a matter that is unique to Tshwane. Like many other metropolitan municipalities, the City of Tshwane is not immune to urbanisation and its impact on driving increased demand for safe places of shelter and affordable housing.

With this difficult responsibility on its hands, the budget allocation for the Human Settlements Department makes provision for a Capital budget of **R840 million** and an Operational budget of **R395 million**.

The capital budget of the Department will, for example, be directed towards the following:

- Water reticulation – R187m
- Sewer reticulation – R186,4m
- Roads and storm water construction – R263,8m
- Hostel redevelopment – R30m

- Land acquisition – R10m

The funding allocated in terms of the 2021/22 budget will enable the Department to speed up the formalization of 19 identified informal settlements to achieve township establishment, while providing over 138 informal settlements with temporary (rudimentary) services until formal services are installed.

The Department will also focus largely on upgrading of bulk infrastructure services as well as installation of internal services in approved townships both as part of the incremental upgrading of informal settlements and new settlements.

This will see areas such as Nellmapius Ext 22, Mabopane Extension 12, Mamelodi Extension 6, Olievenhoubosch Ext 60, Garankuwa Extension 10 and other areas provided with water and sanitation services.

Ensuring security of tenure through upscaling and issuing of title deeds remains a strategic priority and the Department intends to cut down the old title deeds backlog by 1000.

This will direct focus to ensuring that a minimum of 80% of new title deeds received from the provincial government are issued and that we utilise **R5 million** of the allocated operational budget to open township registers for registration of title deeds in areas such as: New Eersterust Proper, Ext 4 & Ext 6; Mabopane V and Atteridgeville Ext 6 & Ext 7.

In partnership with the Housing Company Tshwane (HCT), an amount of **R308 million** has been set aside to deliver a total of 509 social housing units (Townlands Phase 2, located in Marabastad) and associated infrastructure development (Timberlands, located in Arcadia) in the incoming financial year.

A total of 377 units which is Council rental stock will also be transferred to HCT as part of the social housing rental portfolio which will be optimized and managed by HCT.

This administration is committed towards ensuring that we construct and build sustainable human settlements so that we can provide quality housing in the city.

The prioritization on the upgrading of informal settlements is also crucial so that we can provide quality bulk infrastructure to these areas. This will ensure that we move towards formalization so that they can proceed with proper township establishment processes for these settlements.

Conclusion

Madam Speaker the 2021/22 budget is a tough balancing act. We had to plan strategically but most importantly work on realistic expectations of revenue. This administration has the interests of our Tshwane residents at heart, and so that required that we deliver a budget that is geared towards restoring the financial health of this city. Stable finances will enable us to deliver core services as constitutionally mandated.

In contrast to last year where the budget was largely inaccessible and approved well out of the required legislative timelines, this year we have prioritized trying to drive robust engagement on the budget through as many platforms as possible.

Local government must be inclusive and must be accessible which is what I have sought to emphasize over the last few months.

It is crucial that we restore hope to the residents of Tshwane and demonstrate to them that we are committed towards prioritizing their needs. We must rebuild trust across the city. Rebuilding that trust may mean that sometimes we have to do things differently and make necessary sacrifices.

Madam Speaker,

I want to leave you with the words of former U.S. president Bill Clinton.

“The price of doing the same old thing is far higher than the price of change.”

Indeed the 2021/22 Budget compels us to change what we can today in preparation for a better tomorrow.

Thank you for joining me today. May we work together to build a better and stable Tshwane.