
BUDGET SPEECH BY MMC FOR FINANCE

CLLR FUNZELA NGOBENI

24 May 2018

Bringing Dipheto go to Johannesburg

Speaker of Council, Cllr Vasco Da Gama;
The Executive Mayor, Cllr Herman Mashaba;
Chief Whip of the Council, Cllr Kevin Wax;
Chair of Chairs, Cllr Alex Christians;
Members of the Mayoral Committee;
Esteemed fellow Councillors;
Leaders of political parties;
City Manager, Dr Ndivhoniswani Lukhwareni;
Members of the media;
Distinguished guests; and
Most importantly, residents of Johannesburg.

Good morning to you all.

Speaker, I am honoured to deliver this Budget Speech for the multi-party coalition government on the proposed 2018/2019 Budget for the City of Johannesburg.

This is the second annual budget tabled by our administration, and indeed, it is my maiden budget speech as MMC for Finance.

Mr Speaker,

We are all gathered here today because we have one single, common interest. That interest is the City of Johannesburg: its people, its business, and its progress.

Irrespective of our different perspectives, our disagreements, and our opposing views - all of us here have a common, vested interest. That interest is to see this City one day becoming a city that we will all be proud of. This is our City...we love it and we love its people.

It is on this backdrop Speaker, that through you, I want to dedicate this 2nd Budget Speech of this multi-party government to all my fellow councillors who were with us when we tabled our inaugural budget on the 23rd of May 2017, but due to various circumstances are no longer with us today.

Some of these former colleagues resigned voluntarily to pursue greener pastures, whereas some left due to ill-health and so forth.

However Speaker, we mostly remember those who were with us on that day - and today as we table this budget - are no more.

Let us not forget:

Conny Bapela – who passed on in February 2018;

Sydney Radebe – who passed on in May 2017; and

Cynthia Khanyi – who passed on in September 2017.

We remember them and we salute them and honour their commitment to serve the residents of Johannesburg.

Mr Speaker, it is on such an occasion that I am also reminded of President Barack Obama's message to both Democrats and Republicans in the book, *Audacity of Hope*, where he laments the extent to which politicians are often focused on petty, trivial, inter party differences at the expense of serious challenges facing the very people they purport to be serving.

President Obama observed that what was troubling in politics was “the gap between the magnitude of our challenges and the smallness of our politics – the ease with which we are distracted by the petty and trivial, our chronic avoidance of tough decisions, and our seeming inability to build a working consensus to tackle any big problem.”

My reference to this quote by President Obama flows from the concept that the Executive Mayor, Cllr Herman Mashaba introduced to us during his State of the City Address earlier this month.

Here Speaker, I am referring to what the Executive Mayor termed *DIPHETOGO*.

Frankly speaking, I am of the view that the concept of *Diphetogo* and what it entails is not a fundamental departure from what most, if not all political parties in this house committed to achieve for the voters in 2016.

I am saying this Speaker because I believe at the core of *Diphetogo* is our will and purpose to bring definitive redress to our people:

- To improve the lives of the poor;
- To bring opportunity, and with it stimulate our economy so that jobs can be created;
- To make our vulnerable feel secure and safe;
- To take care of our sick and those afflicted; and
- To restore our city, and in so doing bring dignity to everyone who lives within our borders.

When we achieve this, I believe we will have achieved *Diphetogo*.

Speaker, Fellow Councillors,

The point I want to make is that all of the political parties represented in this Chamber have made an offering to the people of Johannesburg. Allow me to reflect on these because the promises are incredibly important and reflected in the budget before you.

A cursory scrutiny of the manifestos of each party represented here quickly shows that much as we may differ on the 'how', we all agree that the magnitude of the challenge – the backlogs in services – is serious and requires urgent attention.

I argue that:

- We all agree that as government we need more emphasis on addressing backlogs in our Infrastructure – that is Electricity, Water, Sanitation and Refuse Removal.
- We agree that more focus must be given to providing Housing through various typologies.
- We agree that Public Safety, Health – fighting substance abuse – creates a better society
- We agree on the need for economic growth that creates jobs.

Just as an example, Councillor Novela of the Economic Freedom Fighters, browsing through your manifesto you made a similar

commitment, where it speaks to there being no ward without electricity in the City.

Councillor van Wyk, the African Christian Democratic Party manifesto pledges to upgrade electricity infrastructure as a core priority.

Councillor Nontenja, the United Democratic Movement, likewise promised to incorporate all viable options for electricity generation in every home.

Councillor Tau, the African National Congress made a very important offer to upgrade power infrastructure in the City by expanding electrification to all residents.

In a similar way, my party, the Democratic Alliance, pledged comprehensive upgrades of electricity infrastructure and vast provision to households.

Another example of our common interest is the project of rolling out a Job Seekers Database. Councillors of the ACDP, ANC, Freedom Front Plus, UDM, and DA: we all pledged such a resource for the unemployed in our City.

The IFP pledged clean drinking water for all. This is something that we all can agree on.

COPE, along with other parties, assured voters of the construction of and improvements to community facilities.

Fellow Councillors, we all have an interest in the development of Johannesburg.

It is against this backdrop that I table the proposed 2018/2019 budget for the City of Johannesburg.

Mr. Speaker,

The task set by the Executive Mayor, through the *Diphetogo* Programme, reprioritises the budget to focus on the needs of our people.

Fellow Councillors,

National Treasury has benchmarked and assessed the proposed budget for the 2018/2019 financial year and found that it is aligned to our Integrated Development Plan and, despite *all the malicious rumours of financial instability*, National Treasury has determined that this budget is sustainable, credible and funded without risk.

We have taken the approach of stabilising the financials of the City, and adopted fiscal discipline in our budget allocations going forward.

Through our fiscal management we have ensured:

- Sustainable cash flow is maintained over the medium term to ensure the city builds up sufficient reserves which can be utilised towards future capital investments.
- Borrowings will be used to augment internally generated reserves while ensuring our debt to revenue ratio remains within the prescribed limits set by National Treasury.

Mr Speaker,

In seeking to achieve the delicate balance between *Diphetogo* and fiscal discipline, it has become clear that revenue optimisation will be the name of the game going forward.

However, the approach of the multi-party government will not be to continue squeezing the law-abiding, paying customers of our City, but rather those who can pay but do not.

Late last year, through the intervention of the Executive Mayor, the City launched a multi-departmental project aimed at enforcing by-laws and bringing the rule of law back to the City of Johannesburg.

This project is known as *Operation Buya Mthetho*.

As part of this daily operation, our revenue enhancement team, along with municipal service technicians inspect properties across the City for illegal connections and municipal service abuses.

Through the project, we are beginning to see the kind of crackdown on lawlessness in our City that has been demanded by our residents.

To date, Operation Buya Mthetho has brought in a total of R386 million owed to the City that would previously have been lost through illegal connections and historical debt for the non-payment of services.

To make this point, it was recently brought to my attention that there are numerous accounts that were not on our system.

These accounts were either deleted off our system so that they could not be billed or were changed to fraudulently produce lower bills than what was owed.

This is blatant theft, and we cannot allow law-abiding, paying residents of our City to continue footing the bill for these practices.

As I speak to you today, those accounts are being brought back online, back-dated and will now be invoiced every month while investigations proceed.

We are also strengthening our internal controls to ensure that this does not happen again.

Mr Speaker

Breaking the back of the billing crisis has proven to be a complex task, with a myriad of technical and system failures that have impacted our ability to fully resolve this pressing issue.

What I can say is that the tide is turning.

Our data management has improved, with a 99% match between the deeds office and our General Valuation Roll.

We have improved on our performance with respect to clear and accurate invoicing.

The City is currently changing its approach with respect to addressing queries. As a City, we have identified that the bulk of queries relate to estimations on electricity and water meters and low coverage of physical meter reading.

The real task remains to turn around the resolution time of billing queries in our City.

A dedicated team has been established to ensure that we bring down the time it takes to resolve billing queries.

This team is already beginning to produce results. This shows because the average time it takes to resolve a billing query has already started to decrease.

The major component of turning the billing system around involves tightening the value chain, reviewing processes, policies and procedures and purifying our data.

With all the strides being made, we cannot ignore that even one unattended query is one too many.

Through a multi-disciplinary task team, which involves the political leadership, the Managing Directors of municipal entities, heads of departments and technical experts, we are working towards ensuring that billing challenges are dramatically reduced.

Residents deserve only the highest service standards. My job is to ensure that they get what they deserve.

Fellow Councillors,

I am pleased to announce the implementation of new service standards for residents.

The City is striving to issue 100% Clearance certificates within 30 days of applications being received.

We are also committing to ensuring that 85% of billing queries are resolved within 30 working days; 95% Resolved within 60 working days and 100% resolved within 90 working days.

For our people who choose and continue to make Joburg their home City, we commit to open a new account within 30 days of application.

Improving our relationship with residents is crucial and I am happy to report significant progress. Please don't just take my word for it. Many customers can attest to the City's renewed passion for excellent service.

Mr Speaker,

On 30 April, Shireen Strong called our customer call centre and spoke to Fabian Rosseau, one of our Customer Service Agents. In her thank you email, this is what she had to say:

"I would like to take a moment to acknowledge Fabian for the outstanding service he has provided to me. I called in for an outstanding query but the lengths he went to assist and support me through this process has blown my mind. He is a professional, knowledgeable and patient person who actually did go the extra mile to assist me."

Close quote.

Mr. Speaker

Prudent fiscal management and financial discipline are non-negotiable if we are to generate the reserves required to realise *Diphetogo*. While progress has been made, we acknowledge that more still needs to be done to increase our capacity to deliver the type of services required by our residents.

Fellow Councillors,

Before I move to the business of engaging Council on the specifics of the proposed budget, which I table here today, I must first address the matter of the City's tariff structure for the coming financial year.

The task of balancing tough economic times, felt most by our poorest residents, against the enormous backlogs in our City is a daunting one.

It is important to remind council that just over 76% of our budget is dependent on revenue raised by the City.

Realising this, all efforts have been made to balance the City's tariff increases so as to safeguard our financial sustainability while being aware of the challenges experienced to household income.

Mr Speaker,

In the next financial year, electricity tariffs will increase by an average of 7.37%. This is in largely a pass through cost based on the application of NERSA municipal tariff guidelines applied on the Eskom increase of 6.84% and includes service and distribution costs.

The City continues to apply a step tariff to electricity, meaning that high consuming customers will pay higher tariffs.

This is required to ensure that City Power can refurbish its aging infrastructure and bring services to places which have never had services before.

Water restrictions have become a reality for many South Africans this past year. The fact that our dams are presently full cannot be reason for complacency in our City.

We know that water will be one of the greatest challenges of our future, and we know our network is not up to the task of surviving this challenge as it stands right now. It is therefore important to mitigate this challenge in a sustainable way. Not only for us here and now, but for future generations.

The proposed average tariff increase for Water, Sewerage and Sanitation Services for the 2018/19 financial year is 14.2% based on a pass through Rand Water tariff increase of 12.2% and includes a 2% retail margin aimed at improving and maintaining the distribution network.

The proposed tariff on sanitation services for private dwellings of erf size up to and including 300 square meters has been reduced from the proposed R250 to about R196.

Given the economic conditions faced by our residents, this reduction should provide much needed relief.

In our efforts to provide relief to our poorest residents, the City will continue to offer free basic water to registered indigent households.

The highest allocation of free basic water will be provided to households earning no formal income, receiving up to 15kilo litres of water per month and 150kilowatt hours of electricity via the City's Extended Social Package programme.

Lower levels of allocations will range between 10 kilolitres of free water per month and 12 kilolitres of water provided without charge to the most vulnerable in our City.

While our detractors have a lot to say about this, we contend that it is not pro-poor to offer free basic water to every household irrespective of income. Our water scarcity challenges require that free basic water must be the preserve of those who need it most.

Mr Speaker,

The refuse tariff is projected to increase by an average of 6.8% for the 2018/19 financial year. Refuse removal is charged on the basis of property value, and the service is rendered free to residential properties whose value is within the exempted threshold for rates.

Fellow Councillors,

The implementation of the General Valuation is a legislated and independent process, taking place every 4 years, with prescribed steps which need to be followed.

The reality is that it should be a process conducted with greater frequency to prevent the impact of 5 years' worth of property increases coming to bear on our residents.

When we came into government, we promised our residents that we would run a caring and responsive government.

In an attempt to lessen the pressure on our residents, the City will provide the following relief in the 2018/2019 financial year:

Property rates tariffs are set to remain unchanged.

The residential property rebate, which was set at the first R200 000 being rates free, is proposed to be raised to R350 000.

The Executive Mayor has also declared that ratepayers who objected to their property values will be allowed to continue paying what they have been paying historically until the objection process is completed.

For the first time, an online objection process was provided and the objection process resulted in 50 000 objections having been received. This is less than half of the objections received in the 2013 General Valuations Roll, and constitutes only 4% of properties in the City.

Fellow Councillors,

The city continues to provide a comprehensive basket of rebates to provide relief to our most vulnerable residents.

Pensioner home owners will receive a 100% property rebate if their household income is lower than R9 245, and their property value is not more than R2. 5million.

Pensioners who are 70 years and older will receive a 100% rebate irrespective of income, with a property value of not more than R2.5 million.

Fellow Councillors,

The City will also provide a 100% rebate to residents who are on the Expanded Social Package programme, who are not pensioners and whose property value does not exceed R500 000.

The tariffs we have tabled here enable the City to generate its own revenues that drive fundamental change, *Diphetogo*, to our communities. Using this we will work harder to improve access to quality water, electricity, sanitation and refuse services in our city.

We will continue to secure these revenue streams by waging war against corruption.

We will ensure that public money is not stolen by self-serving individuals but rather ploughed back into our communities for those services they need the most.

Mr. Speaker,

Fellow Councillors,

Today we table a R59 billion budget for the 2018/19 financial year. This represents an operating budget of R51 billion, and a capital budget of R7.8 billion, of which R4.7 billion will be self-funded while R3.1 billion will come from grants and public contributions.

The three-year capital budget appropriation requested in this budget is R25.4 billion for the period up to 2020/2021.

It is with a sense of pride that I can say in this chamber today, that in balancing the needs against limited resources, more money has been allocated to the *Diphetogo* priorities than ever before.

The Sustainable Services Cluster falls within our strategic pillar to enhance residents' quality of life by improving services and taking care of the environment.

Back-to-basics service delivery lies at the heart of the *Diphetogo* programme for the new financial year.

Indeed, the majority of the City's service delivery responsibilities sit in this Cluster. This cluster is thus the driving force behind our administration's efforts to advancing pro-poor development that provides meaningful redress which is another important strategic pillar for this administration.

In line with this objective, this cluster is allocated the lion's share of the three year medium-term capital budget at R12 billion.

Mr Speaker,

As we all know, the City faces a massive housing challenge that is evidenced by a housing list standing at 152 000 people, a need for 300 000 City produced housing opportunities, and over 190 informal settlements across our City.

It is thus disappointing to note the decision taken by National Treasury and the National Department of Human Settlements to cut Joburg's Urban Settlements Development Grant (USDG) by R363 million.

Despite the City providing an extensive motivation on the projected spend for this grant, the decision to cut this critical grant funding hurts the residents of our City, who have suffered the indignity of government failure for too long, especially those most vulnerable to the crushing weight of poverty.

But, we forge ahead.

To this end, the Department of Housing is allocated a Capex budget of R3.4 billion over the medium term; and an operational budget of R1 billion for the 2018/2019 financial year.

As part of this, R120 million has been budgeted for the 2018/2019 financial year to provide 200 serviced sites onto which beneficiaries can be settled with full ownership.

Our multi-party coalition government has succeeded in delivering 5145 title deeds to the residents of Johannesburg, giving over 5200 of our poorest residents the dignity of home ownership.

In the 2018/2019 financial year, another 2000 title deeds will be distributed, bringing to 9500 the total projected number of title deeds to be distributed by the end of the medium term budget.

Alongside this, the City will continue with the upgrade of communities through investment in bulk infrastructure, including formalization of informal settlements in areas such as Braamfischerville, Diepsloot, Drieziek, Elias Motsoaledi, Ennerdale South, Finetown, Poortjie, Kanana Park, Kliptown and Lehae to mention a few.

In order to accelerate the formalization of informal settlements, the City has set aside R14 million in the 2018/2019 financial year for the purpose of creating detailed designs. This will allow the City to embark on a consolidated planning program for informal settlements across the City.

R50 million has also been set aside for the upgrading of Inner City emergency housing and rental stock.

The above efforts will complement the City's plan to develop derelict City owned buildings for the purpose of creating quality low-cost housing for our residents.

12 City owned properties have already been released for this purpose. Another 71 properties will be brought before Council by the end of this financial year.

Private owners of derelict buildings are also being engaged, so that their buildings can also form part of our plan to revitalize the Inner City to provide affordable housing and small business space.

R60 million has been allocated for the renewal and refurbishment of the following hostels:

- Diepkloof;
- Meadowlands;
- Helen Joseph;and
- Madala hostels.

Mr Speaker,

The Johannesburg Social Housing Company is allocated a capital amount of R1.2 billion over the medium term and an operating budget of R182 million for the 2018/2019 financial year.

As part of this, R46 million has been set aside in the 2018/2019 financial year for the acquisition of buildings in the inner city for the purpose of creating affordable housing for residents.

The Environment and Infrastructure Services department, whose responsibility it is to care for our resources while providing a reliable and quality supply of electricity, water and sanitation is allocated a medium term capital budget of R396 million and an

operational budget of R182 million for the 2018/2019 financial year.

Fellow Councillors,

For over two decades since democracy, many of our communities have never known access to safe and reliable electricity. The streets remain dark at night, leaving residents vulnerable to criminals. Communities have fallen victim to fires because of their reliance on paraffin and candles for their everyday household needs.

For those residents who have had access to services, the reliable provision of electricity has been a constant concern.

This is one of the key areas on which our multi-party government seeks to make an impact through *Diphetogo*. This is the fundamental change we wish to bring to the City of Johannesburg.

In the medium term, City Power is allocated a capital expenditure budget of R3.3billion.

In the 2018/2019 financial year, City power is allocated a R1 billion capital budget. This is a 25% increase from the 2017/2018 budget.

This includes an allocation of R117 million for the electrification of informal settlements, up from R60 million in the 2017/2018

financial year. This will ensure that informal settlements in Lindhaven, Kliptown, Princess, and Ruimsig receive power.

In the past financial year, the City brought safe electricity to the communities of Slovo Park, Meriting, Elias Motsoaledi and Klipspruit.

Over the next 3 years, the focus of City Power's capital investment strategy will also be to complete a number of refurbishments and buildings of key substations and replace ageing transformers, as well as transmission lines.

These include:

- Sebenza;
- Roosevelt Park;
- Orlando;
- Eldorado Park ;
- Cleveland ;
- Mulbarton ;
- Nancefield;
- Wilro Park; and
- Lutz Substation.

Upgrades to these facilities will stabilise the City's High Voltage and Medium Voltage network, especially in areas plagued by illegal connections and overloading.

This, in turn, will reduce the number of Low Voltage outages experienced by our communities.

In addition to this, as part of the 2018/19 budget, the City has set aside R45 million for the installation of new public lighting city-wide, including our informal settlements, as well as an additional R20 million for the repairs and maintenance of existing public lighting within the City.

This is part of our commitment to ensure that the City of Johannesburg shines brightly at night once more and brings safety and security to neighbourhoods in desperate need.

R120 million has been allocated to City Power in 2018/19 for the replacement of old meters with semi-automated and automated pre-paid meters in order to reduce the need for manual meter reading. In so doing we will increase the reading accuracy of metres. This is expected to reduce the many billing queries related to incorrect meter readings.

Mr Speaker,

Johannesburg Water is allocated a capital amount of R3.1 billion over the medium term and R10.6 billion in operating expenditure for the 2018/2019 financial year.

With the current budget, the entity will be able to reduce the number of pipe bursts by 6,000 leaks.

Fellow Councillors,

Pikitup is allocated a medium term budget of R771 million as well as R2.3 billion in operational expenditure for the 2018/2019 financial year. This will support additional cleaning shifts within the inner City as well as address the dilapidated conditions of Pikitup facilities.

Pikitup's operating budget will also pave the way for the filling of 1400 funded vacancies in their frontline service delivery capacity.

The insourcing of contracted workers from the Jozi@Work programme within Pikitup will see a further 1400 employees being added to their ranks.

This will achieve the benefits of full-time employment, increasing the number of front-line service capacity while ensuring no additional cost to the City.

Between this insourcing programme and the filling of the funded vacancies, Pikitup will now have 2800 more people on the ground cleaning our City in the 2018/19 financial year.

Mr. Speaker,

Through the Human and Social Development Cluster we commit to building caring, safe and secure communities.

In our proposed 2018/2019 budget, the three year medium-term capital budget for Human and Social Development Cluster amounts to approximately R1 billion.

The operating budget for said cluster increases by 21.5% from the current financial year and includes the insourcing of 4000 security guards.

The Department of Health, based within the Human and Social Development Cluster, is allocated a Capex budget of R274 million for the medium term.

The drug addiction pandemic in our City continues to destroy far too many lives, especially of our youth.

As the Executive Mayor has already mentioned in his State of the City Address, addressing this pandemic remains a key focus area of this administration.

It is essential that we work tirelessly to build caring, safe and secure communities. To this end, R30 million in operational expenditure has been allocated to the Departments of Health and Social Development to fully capacitate the City's free Community Substance Abuse Treatment Centres.

This includes provision for a 24 hour crisis line where our people can speak to caring professional staff to get the help they need.

An additional allocation of R12.5 million in capital expenditure has also been made available to the Department of Health. This will expand the number of Community Substance Abuse Treatment Centres to 8 by the end of the 2018/2019 financial year. The new areas earmarked are:

- Poortjie;
- Bophelong; and
- Cosmo City.

Improving access to healthcare for our poorest residents is also of critical concern to our administration.

We have already introduced extended operating hours within our clinics in order to make sure that residents do not have to choose between attending work and getting medical attention; that students do not have to choose between going to school and accessing healthcare.

As part of the Department's operating budget, R20 million is allocated to continue running extended operating hours within 11 of our clinics. The additional allocation will see the number expanded to 26 by the end of the 2018/19 financial year. That is more than double in our provision for access to healthcare for residents.

We are also promoting improved access to healthcare within the City through the capacitation of the City's Mobile Clinics, arising from a motion brought to this house by the EFF.

In the 2018/2019 financial year, the City will purchase an additional Mobile Clinic at a cost of R5 million, bringing to 3 the number of Mobile Clinics operated by the City of Johannesburg.

R7 million in operational expenditure has been made available to fully capacitate these 3 mobile clinics to ensure that they are optimally utilised.

An additional 3 Mobile Clinics will be purchased and capacitated in the 2019/20 financial year.

Fellow Councillors,

The Department of Social Development is allocated a capital budget of R55 million over the medium term and an operational budget of R254 million in 2018/2019 to continue its work of providing care to communities.

R10 million is made available for the construction of a new Early Childhood Development training centre within the inner city.

R2 million is also set aside for providing skills development opportunities within shelters for displaced persons.

The operational expenditure also includes provision for the recruitment of additional social workers who will support the Department of Health's war against drugs in our communities.

In the current financial year, the Department of Community Development is allocated R260 million in capital expenditure over the medium term. Allocations to the various projects include the completion of:

- The library at the Lehae Multi-Purpose Centre;
- a new multipurpose centre, including a library in Kaalfontein;

- a new multi-purpose centre in Drieziek
- a new Ivory Park public pool; and
- a new multi-purpose centre in Matholesville.

Mr Speaker,

To take the fight against crime to our streets, Public Safety has been allocated a medium term capital budget of R260 million for both Emergency Management Services (EMS) and the Johannesburg Metropolitan Police Department (JMPD).

This budget will also be utilised for the continued training of 1500 JMPD recruits who will soon join our law enforcement efforts.

It is hoped that our present level of investment into public safety and visible policing will help us to turn the tide on high rates of crime in our city.

Mr Speaker,

Projects which are to be prioritised by the Department of Public Safety and its entities include the following:

- The purchase of new fire and rescue equipment for the City
- Construction of licensing satellite office in Diepsloot;
- Upgrades to Alexandra fire station; and
- The construction of a new 'Be Safe Centre'.

Ensuring basic service delivery within the City speaks to the heart of our *Diphetogo* programme. This includes ensuring that

horticultural services such as grass cutting and tree pruning take place within communities.

Mr Speaker, these are the basics which communities ask us to get right.

Recognising that the current financial year's allocation to this function left many areas over-grown and unsightly, I am pleased to announce that in the 2018/2019 financial year, we have doubled the budget for the provision of these services. We have increased the current allocation of R107 million to R207 million in the 2018/2019 operational budget.

To this end the following allocations are made within this cluster:

Johannesburg City Parks and Zoo is allocated a Capex of R129 million over the medium term.

Another entity within this cluster, Joburg City Theatres is allocated R96 million over the medium term

Mr Speaker,

In line with our strategic pillar to grow the economy and create jobs, the operating budget allocation for the Economic Growth Cluster amounts to R5.5 billion in 2018/2019 and a three year capital budget allocation of R9.8 Billion.

The Department of Economic Development is the custodian of the City's Economic Development Strategy and receives an operating budget of R223 million in the 2018/2019 financial year and R30 million in capital budget over the medium term.

This includes funds to complete the development of the Job Seekers' Database which will effectively replace Jozi@Work, and do away with middle-men determining access to these opportunities.

The database will serve as a resource, where qualifying persons, can register to benefit from temporary work opportunities in the City on a fair and rotational basis.

The City will begin registering thousands of work seekers on our Job Seekers' Database who, for the first time, will begin receiving opportunities previously reserved for the connected few.

Arising from this database will be the beginnings of a massive artisan training programme. Shortly, in Johannesburg, 300 youth will begin artisan training provided by the City.

This is the start of a much bigger project that will see thousands of youth trained and in the process gaining the requisite certification and experience in partnership with the private sector.

Fellow councillors, as many of you know, South Africa faces massive unemployment challenges. 26% of South Africans are unemployed.

Within the City of Johannesburg, just over 900 000 people are unemployed.

If we are to address this unemployment, we must create an environment which supports small entrepreneurs to start and grow their businesses. This includes supporting efforts to assist those residents within the informal trading sector.

If we are to grow an environment which stimulates economic growth, we must look to create a more inclusive approach to economic development. This must be an approach which strikes a balance between recognising all types of traders and ensuring the public's well-being.

To begin working towards that approach, the City has budgeted R25 million in the 2018/2019 financial year to construct informal trading facilities in Rosebank Linear Park, Dobsonville and the inner city to support informal traders and provide them a space to grow their businesses.

Fellow Councillors,

The Department of Transport receives an operating budget of R1.8 billion for the 2018/2019 financial year and a capital budget allocation of R3.2 billion over the medium term.

The City is committed to making public transport safer and more accessible for commuters, as well as long distance and cross border travellers. In the next financial year, the Executive Mayor will launch the new Johannesburg International Transport Interchange – called JITI for short – at the Park Station precinct.

This R411 million transport facility will include booking offices, shops, banks, bus and taxi departure signs, access control and a food court that will serve residents and visitors travelling to and from over 150 destinations across the sub-continent.

This facility will also make a massive difference to our efforts to regenerate the Inner City as it will significantly reduce the number of taxis parking on the street. In the 2018/19 financial year, new facilities will be constructed for commuters to wait safely and under cover for their taxis at Drieziek, Tshepisong, Zola, Zakhariya Park and Orange Farm Extension 7.

The Transport Department will also upgrade nine facilities including Metro Mall taxi rank in the Inner City, Lenasia, Diepsloot and Zandspruit taxi ranks. They will continue to clean and secure 26 public transport facilities and will be introducing customer care agents in these facilities where members of the public can raise complaints or give feedback on their experiences in the facility. This is part of making taxi ranks safer, especially for women and children passengers.

In 2018/2019, the City will be spending R627 million of the national Public Transport Network Grant to finish the Rea Vaya Phase 1C services which will run between Sandton, Alexandra, Greenstone and the CBD.

The City has budgeted a further R775 million over the medium term, for 141 new low entry buses for this route. When the service starts operating in mid-2019, we hope to double the average passenger number from 60 000 to 120 000 who will travel on the Rea Vaya system on working days.

Mr Speaker, within the 2018/2019 financial year, the Johannesburg Roads Agency is allocated R1.2 billion to the capital budget.

Within this budget, is an allocation of R250 million for road rehabilitation and reconstruction.

In addition to this, the entity is also allocated R181 million for the rehabilitation of bridges in 2018/2019, up from R49 million in 2017/2018.

Investment in storm water upgrades also increases to R226 million in the 2018/2019 financial year, up from R169 million in the previous year.

Mr Speaker, there are approximately 1169 km of gravel roads in the City, 90% of which are in townships or informal settlements.

To completely eradicate all gravel roads within the City, we would require an investment of approximately R8.1 billion.

Over the past 2 years, the City has spent an average of R335 million per year on the tarring of gravel roads. Over the next 3 years this will increase to R375 million per year – or R1.1 billion over the medium term.

Finally, in response to numerous requests raised by communities during the IDP outreach phase, the City has budget R30 million for traffic calming measures across the City over the medium term.

This will help to address the current backlog of R25 million, as well as the annual requests of approximately R5 million per annum.

The focus will be on installing traffic calming measures in areas where safety is a priority, such as around schools.

Mr Speaker,

The Metro bus operational budget increases by 6.8% to R717 million in line with the increase in revenue.

Included in this allocation will be a pilot project for free rides for pensioner on off-peak hours.

In the coming year, the Department of Development Planning is allocated a capital budget of R1 billion over the medium term; and an operational expenditure allocation of R341 million for the 2018/2019 financial year. These allocations will support our

efforts to drive inclusive development and growth in key economic nodes, town planning and the implementation of the inner city road map.

Aiding these efforts is the Johannesburg Development Agency which receives a capital allocation of R676 million and an operational budget of R129 million in 2018/2019.

This is to enable the Agency to drive Inner City regeneration including the development of key economic nodes.

Mr Speaker, in the 2018/19 financial year, entities under the economic growth cluster are granted the following allocations:

The Joburg Market is allocated a capital budget of R40 million in the 2018/19 financial year, supported by an operational expenditure budget of R116 million.

The Johannesburg Property Company is allocated a capital budget of R115.9 million in the coming financial year while JPCs operational budget is set at R541 million.

Fellow Councillors,

Openness, transparency and accountability are cornerstone principles for this administration. The City's good governance cluster is tasked with ensuring that our multi-party government remains the representative of all our people's interests.

The three year medium-term capital budget for the Good Governance Cluster amounts to approximately R2.3 billion with the operational budget for the new financial year, increasing by 5.9% to R9.4 Billion.

This cluster makes up the support functions of the City, and includes the Office of the City Manager, Group Information and Communication Technologies, and Group Finance.

Mr. Speaker, you will be happy to note that the Legislative Arm of the Council is allocated a R7 million capital over the medium term, with an operational budget of R424 million within the coming financial year.

Mr. Speaker

As I indicated in the beginning, there is more that brings us together than that which keeps us apart. I strongly believe this budget tabled today by a multi-party coalition government is a budget which represents our common interest and our collective desire to serve the people of Johannesburg.

It is a budget that speaks to our joint commitment to change.

It is a budget that we can all be proud of.

It is a budget that the people of Johannesburg must hold us accountable to.

Esteemed Councillors, let me conclude with the following acknowledgements:

Firstly, the Executive Mayor who guided us throughout the budgetary process. He ensured that we set our sights on delivering change to our residents.

It was indeed the vision of our Executive Mayor that has established the focus on the priorities of our people, and reprioritized this budget towards achieving the delivery of *Diphetogo* in our City.

I also want to acknowledge our colleagues at the Gauteng Provincial Government, the Gauteng provincial office of the Auditor General and colleagues at National Treasury for giving us their support.

Mr Speaker,

Allow me to also thank my colleagues in the Democratic Alliance, our coalition partners and the EFF for their unwavering support and robust engagement;

The City Manager and Members of the Budget Steering Committee for providing the necessary technical support;

The Acting Group Chief Financial Officer, Mrs Charity Wurayayi, and her team of professional civil servants; and

My wife Masetshaba Ngobeni, and family – for their unconditional love and support.

Mr Speaker,

I table the City of Johannesburg's budget for the 2018/2019 Financial Year.

This budget will become the budget for the people of our City.

It will be the budget that begins the large-scale turnaround of Johannesburg.

It will be the budget that places government at the service of the needs of our people.

I thank you.