

2023 BUDGET SPEECH



25 MAY
2023 | 10h00

*MMC for Finance; EPMO;
and ICT Cllr Nkululeko Dunga*



**CITY OF EKURHULENI BUDGET SPEECH 2023 DELIVERED BY THE MEMBER OF THE
MAYORAL COMMITTEE FOR FINANCE, EPMO AND COMMUNICATION TECHNOLOGY,
CLLR NKULULEKO DUNGA**

25 MAY 2023

The Executive Mayor, Cllr Sivuyile Ngodwana,
The Speaker of Council, Cllr Nthabiseng Tshivhenga,
The Whip of Council,
Members of the Mayoral Committee,
Chair of Chairs,
Honourable Councillors,
The City Manager,
The Senior Management of the City,
Leaders of Business, Labour, and Civil Society,
Distinguished Guests,
Members of the Media,
Fellow residents of Ekurhuleni,

Sanibonani, Dumelang, Molweni! Ndaa, Avuxeni, Good Morning!

1. INTRODUCTION

Madam Speaker,

It is with great honour and humility that I stand before you, colleagues, on behalf of the People's Government of the City of Ekurhuleni. We stand here on behalf of the Economic Freedom Fighters, the economic emancipation movement under the capable leadership of Commander in Chief Julius Malema to deliver the 2023/2024 budget for the City of Ekurhuleni. The EFF turns 10 in July 2013 and has thus far demonstrated to be a dependable force in the politics of South Africa, Africa and the African diaspora. We are loyal servants of our people

and working in close collaboration with all progressive forces and forward-looking public representatives, we are here to deliver the People's Budget.

We are further honoured to deliver this inaugural budget speech as EFF public representatives on the 25^h of May 2023 which marks exactly 60 years since the formation of the Organisation of African Unity. The 25th of May is celebrated in the African continent and African diaspora as Africa Day. We recommit ourselves to the political, economic and social unification of the African continent, which was broken down into what Kwame Nkrumah calls small unviable states and countries. Africa's unity and unification remain the only mechanism through which we can achieve collective prosperity and progress as the still neo-colonised people of the African continent.

We pay tribute to the progressive and genuinely Pan Africanist proponents of African unity in particular Kwame Nkrumah, Sékou Toure, Emperor Haile Selasie, Julius Nyerere, Kenneth Kaunda, Maummar Gaddafi, Thomas Sankara, Frantz Fanon, Ahmed Ben Bella, Modibo Keita, Patrice Lumumba. We boldly stand and say without fear of contradiction that we have taken up spear and in everything we do, we will always embrace progressive and socialist Pan Africanism

2. TRIBUTE TO KOKETSO MOJATAU

At the outset, allow us to take this moment to pay tribute to a selfless and dedicated fighter, fellow colleague and former councillor in the City of Ekurhuleni, Koketso Mojatau.

In light of this, we humbly request that we take a moment of silence to pay tribute to our comrade and brother, Fighter Koketso Mojatau, who tragically passed away through senseless criminal activity here in our City. He served with integrity as a former Regional Deputy Chairperson of the Economic Freedom Fighters in Ekurhuleni and as a PR councillor in the City of Ekurhuleni, where his tireless advocacy for economic freedom was felt by all.

3. GLOBAL CONTEXT

We are here to present the budget of the City of Ekurhuleni for the financial year 2023/2024. In doing so, we carry the obligation to locate the budget in both global and domestic contexts and changing balance of forces. In our analysis of the global and domestic contexts, we take a leaf from the Marxist Agricultural Economist and Revolutionary Amilcar Carbral who said, ***“Always bear in mind that the people are not fighting for ideas, for the things in anyone’s head. They are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children”***. Carbral also said it was an obligation of all Revolutionaries to tell no lies and claim no easy victories. We will therefore not tell lies and will not claim easy victories.

The world we live in is shifting in favour of the progressive forces of change. We are living in a world where the power of the dollar is weakening, and the world is no longer uni-polar, where only one country and its allies in the world dictate the global political and economic agenda and threatens alternate voices and movements.

The erstwhile dominance of the imperialist forces, particularly the United States of America, is being gradually shrinking and will soon dwindle into insignificance as many countries break free from neo-colonial and imperialist control. As progressive forces, we must openly and proudly associate with progressive forces of change that are calling for the de-dollarization of the global economy and a multi-polar world order, and we must encourage the emergence of alternative financial institutions like the BRICS Bank. Our present and future policies and consideration must unapologetically associate with the progressive nations of China, Brazil, Russia and India.

As a City with a relatively significant manufacturing sector, we must perpetually and always appreciate what is happening in other parts of the world so that we take sound and measured decisions on who we relate with. We do not exist in isolation, and our livelihoods, the economy and politics are interlinked to what happens in the world and the country as a whole.

4. DOMESTIC CONTEXT

Here in South Africa, we are living in a shrinking economy, which is dwindling in terms of size, quality and quantity. Unemployment is a significant issue, where more than 50% of South Africa's labour force does not have any source of employment and is not in education and training. The current situation of poverty is even more overwhelming, with 30.4 million people - over half of the population - living below the upper-bound poverty line of R1,417 a month. Furthermore, the escalating fuel prices have also posed a concern for all, with the cost of a litre of unleaded petrol 93 increasing from R21.51 in May 2022 to R23.01 in May 2023, and unleaded petrol 95 at the coast rising from R21.09 to R22.62 within the same period. Lastly, the increase in the prime lending rate from 6.2% in November 2022 to 7.75% further signifies the intensifying economic pressures on our people. The monetary policies of the South African Reserve Bank have direct impacts and implications for our municipalities because residents' capacity to pay for municipal services is negatively affected by rising interest rates.


All this happens when South Africa's economy is not growing. This is threatening the livelihoods of our people not only at a national level but in municipalities because, with lower revenue, municipalities cannot optimally deliver basic municipal services.

5. PEOPLE'S BUDGET

Building on what the Executive Mayor, Cllr Sivuyile Ngodwana, said when he delivered the *State of the City Address* on the 25th of April 2023 under the theme People's Government, this is now the articulation of the finances of the People's Government and its priorities. This is therefore a People's Budget, which responds to the needs and demands of our people. Everything we do and everything we will talk about in this People's Budget responds to the demands, interests and aspirations of our people.

6. CONTEXT AND BACKGROUND OF THE BUDGET

Honourable Speaker, a People's Budget demands that we should go back to the real basics and present the background and context of what the City of Ekurhuleni is and what its needs are and what is to be done in the immediate.



The City of Ekurhuleni is home to 3,7 million people, comprising 1,6 million households. Ekurhuleni is one of the metropolitan municipalities located in the Gauteng Province, occupying 1 975km² of the land area, which spreads over 10,9% of Gauteng's land mass. It is projected that, by 2030, we will have over 4 million residents and 8,8 million residents by 2050.

Today, Ekurhuleni comprises the nine towns of Alberton, Benoni, Boksburg, Brakpan, Edenvale, Germiston, Kempton Park, Nigel, and Springs. Included in these towns are 17 other townships among which are Daveyton, KwaThema, Thembisa, Tsakani, Vosloorus, Thokoza and Katlehong, to mention a few. Among these townships are 163 informal settlements which serve as residential areas for some members of the community. The City has a total of 112 municipal wards, and our budget must realistically respond to the aspirations, demands and interests of all these wards.

Over 80,4% of our people live in formal dwellings and 18,7 percent live in informal dwellings, and 9% of the households live in backyard dwellings.

Poverty remains high in Ekurhuleni as over 34 percent of our people live in poverty. According to the First Quarter of 2023 Labour Force Survey published by Statistics South Africa on the 16th of May 2023, Ekurhuleni has a total labour force of 2.2 million people. These are the people between the ages of 15 and 64 years who are able to work.

Of these 2,2 million people who are able to work, only 1.2 million are employed and 848 000 are unemployed. Ekurhuleni's unemployment rate stands at 41,9%. As the Executive Mayor indicated in his *State of the City Address*, this is higher than the provincial and national average, and highest amongst all eight metropolitan municipalities.

Ekurhuleni hosts Africa's biggest and busiest international airport, OR Tambo International Airport, with over 21 million passengers per year passing through its boarding gates either coming to South Africa or as a transit stop on their way to other destinations. This in itself presents a massive economic development potential for the City of Ekurhuleni particularly in the tourism and hospitality industries.

The City contributes 19,7% to Gauteng's Economy and contributes 6,9% to the GDP of South Africa, with a Gross Domestic Product of over R300 billion. Ekurhuleni's economy is dominated by manufacturing, finance and business services, some government services and to some extent hospitality.


In 2022, we were able to achieve an annual economic growth of 2,9%, which was higher than the Gauteng one of 2,7% and that of South Africa, whose growth rate was 2,0%.

Ekurhuleni is part of the OR Tambo Special Economic Zone, the first special economic zone linked to a port of entry that formed part of the SEZ programme established in the early 2000s.

The proposed revenue of the overall budget we are speaking to today is **R55,3 billion**, which is made up of **R22 billion** from the sale of electricity, **R8,6 billion** from property rates, **R6,7 billion** from water revenue, **R3,2 billion** from sanitation revenue, **R1,8 billion** from refuse revenue, **R1,3 billion** from interest earned on outstanding debts and just under **R5 billion** from interest earned on investments, rental of facilities and equipment, licenses and permits, and other sources of revenue.

We also receive **R6,2 billion** from other revenue sources such as national and provincial governments in the form of equitable share and conditional grants. Honourable Councillors, the equitable share allocation is determined by population and developmental factors such as poverty, and we as council are at liberty to decide on when and how we spend it, and this must be done in consultation with the people of our City. However, conditional grants are provided by national and provincial governments to achieve specific objectives, hence the name conditional grant.

Madam Speaker, this is the context and the background of the People's Budget. Part of the People's Budget context is that it is informed by the revised Integrated Development Plan, the IDP, which are the demands of the people which has been consulted on over time. This budget is not a product of some high-level round table discussions of the elite, but a product of and response to the demands, interests and aspirations of our people.



This budget will reflect what have been the demands of the people through the IDP consultative period.

The people of Thembisa, we heard you very well when you said, you want clean and drinkable water.

The people of Khathorus, we heard you very well when you said, you want reliable electricity.

The people of Kempton Park, we heard you when you said, you want regular refuse collection.

The people of Kwa-Thema, Reiger Park, and Germiston, we heard you very well when you said you want sustainable jobs for the youth.

The people of Tsakani, we heard you when you said you want a 24-hour clinic.

The people of Katlehong, Brakpan, Springs and Boksburg, we heard you when you said you are tired of crime and vandalism of electricity infrastructure.

We have heard you. Your views will find expression in the People's Budget. This is your budget.

Madam Speaker,

For the past three consecutive financial years, Ekurhuleni has achieved clean audits. We commit to continuing with clean audits.

However, let us use this opportunity to provide a constructive critique of the notion of a clean audit. A clean audit without service delivery means nothing. We can have a clean audit, but people do not have clean water, do not have electricity, do not have roads, and are still subjected to the use of chemical toilets today.

You can have a clean audit and still have cash flow challenges in a municipality.

A clean audit is mostly defined through strict compliance with existing legislation in terms of what happened in a financial year, but it is not a measure of the impact and reach of service delivery.

We of course want to achieve a clean government which is going to respond to the needs of the people while complying with all the necessary legislation and regulations that exist in terms of how we spend government money.

We want a clean government that will deliver services to our people.

7. ELECTRICITY

Ladies and gentlemen, Councillors and the people of Ekurhuleni, it would be foolhardy to think that we can present a budget without prioritizing the crisis of electricity in South Africa. This budget and everything else we are going to present here today depends on the availability of electricity.

The City of Ekurhuleni is one of the most important and strategic economic and particularly industrial centres of Gauteng Province and perhaps the entire South Africa.

As we already stated, the City of Ekurhuleni is home to one of the most strategic ports of entry into South Africa, the OR TAMBO International Airport. Millions of travellers to and from South Africa have to come through our City.

A dependable and reliable electricity supply to a modern industrial economy is essential for its continued development and sustainability. We cannot continue to produce goods and services, and we will be unable to expand the revenue base for both the Municipality and the entire South African revenue base if we do not have a reliable electricity supply.

The National Government has already declared through the 2023 Budget speech and through the ESKOM rescue bill that it has no intention nor interest to generate additional electricity. An unequivocal conditionality was set for ESKOM: the R260 billion allocated to ease ESKOM's balance sheet must not be spent on electricity generation.

We, as the City of Ekurhuleni, almost completely depend on ESKOM for electricity, which currently does not have a believable and concrete plan to end load shedding and bring about electricity supply stability.

As a result, we as the executive will work with the administration to do everything in our power to bring about electricity stability, not just for short-term goals but for medium and long-term purposes. We have to take concrete steps and develop workable and fiscally sound plans to guarantee the supply of electricity to all our people. As the City, we are not going to fold our arms and not do anything in relation to insulating our people from the crisis of load shedding. Our approach to electricity is completely different from the governing party at a national level.


We will do everything in our power to make sure that no electricity is cut off in all essential water and sanitation infrastructure, clinics, hospitals, and all other essential services. We are also going to extend this assistance to small, micro and medium enterprises whose accounts are up to date and employ a lot of our people to make sure that we protect their operations from the impact of load shedding.

The City of Ekurhuleni will, in the immediate term, look into short and medium solutions which will use a combination of hybrid, off-grid and micro-grid electricity solutions.

We will, as the City of Ekurhuleni, soon issue a Request for Information to potential investors who are willing to enter into Public/Private partnerships and who are willing to enter into Build-Operate-Transfer (BOT) contracts to build additional electricity generation capacity for the City of Ekurhuleni.

While predominantly depending on Eskom, the neighbouring cities of Tshwane and Johannesburg have dedicated and separate electricity generation power stations which feed into their electricity demand.

We, as the City of Ekurhuleni, must start initiatives to generate additional electricity and must source maximal capacity from domestic and global role players in the electricity space. As an industrial zone, we purposefully must and will pursue fiscally sound efforts to source electricity



for the durability of our economy and for the protection and improvement of people's livelihoods.

In the immediate, we carry an obligation to insulate essential services such as water supply, clinics, small and medium enterprises, and other essential infrastructure from the damages that might come as a result of load shedding or even a possible total blackout.


The MMC of Water, Sanitation, and Energy should immediately start the process of developing an Integrated Resources Plan (IRP) for the City of Ekurhuleni, which must demonstrate how we should stabilize the generation, transmission, and distribution of electricity in the City.

Our IRP is long overdue because of a changing energy situation in the country and because of an increasingly evident failure of Provincial and National governments to provide electricity to all our people. The City of Ekurhuleni's energy plan should fearlessly present ideas and a concrete plan on how we should use clean coal technologies, nuclear, liquified natural gas, platinum group metals and minerals, the sun, water, wind, and hydrogen as sources of electricity.

Madam Speaker, if we produce electricity that is more than our needs, that will be a potential source of revenue because we will sell electricity to other areas. Ekurhuleni's IRP will not be contained within the borders of Ekurhuleni and South Africa only. If there is dependable electricity that can come from Mozambique, Namibia, Zambia, or any of our neighbouring countries, we will work through the Southern Africa Power Pool process to source electricity for our people.

We take this opportunity to demand that the National Treasury and all the relevant Departments and Ministries establish a **Comprehensive Conditional Grant** which will assist Municipalities with hybrid and off-grid solutions because there is evidently no solution that will come from the national government.

We also will collaborate with the Provincial and National governments to utilize the Special Economic Zones in Ekurhuleni to attract industrial manufacturers for solar panels, inverters, batteries, and all electronic equipment that are essential for hybrid and off-grid solutions. We



will engage with the relevant Skills Authorities to train and prepare the necessary and relevant personnel for such a decisive move towards industrial development to create jobs for our people.

8. REVENUE ENHANCEMENT

The budget that we are allocating and tabling here in Council for approval of R57.6 billion, of which R54.9 billion is for Operating Expenditure and R2.7 billion is for Capital Expenditure, is not enough to respond to the demands and the needs of our people.

We are going to engage in purposeful additional revenue enhancement mechanisms. We are not just going to spend what has traditionally been allocated to us through the equitable share and grants, and our usual streams of revenue.

Revenue enhancement constitutes the core of what we should all pursue as different departments in the City of Ekurhuleni. The following **Key Components** will constitute the core of our revenue enhancement.

8.1. One of the major steps we are going to take to contain revenue leakages is to make sure that there is a maximum collection of rates and taxes from those who should and can pay for rates and taxes. We still have revenue leakages in electricity and other important rates. We are going to switch off electricity for people who are using electricity, can afford it, and **choose** not to pay. we shall be introducing Operation ***Siyacima Manje – Namhlanje*** directed at companies, SOEs and government departments that owe the City millions. They must make payments within seven days after this speech or risk being cut off, in line with our credit control policies.

8.2. We will maximize revenue collection from our Real Estate and City Planning departments through outdoor advertisements and masts payments by telecommunications companies that are using our buildings for network connectivity. Cellphone towers that are on top of our buildings must pay tariffs. Where there are currently no lease agreements we will regularize as we have done with Brakpan

Airport. As part of revenue enhancement, we are going to expand and consolidate Ekurhuleni's broadband and fibre infrastructure because it has the potential for additional revenue in the medium to long term.

- 8.3. We are going to maximally source and optimally use Conditional Grants that the municipality is eligible for. In this regard, the City of Ekurhuleni will pay particular attention to the Social Housing Regulatory Authority Grant, which is a dedicated grant for social housing purposes. There are tens of thousands of Citizens of Ekurhuleni who are eligible for social housing. The City will meet them halfway and source and implement massive social housing projects in all the major areas of the City. Never again should it happen that the municipality returns more than a hundred million rands to National Treasury, when we have so many obligations, needs, and demands of our people. We will later elaborate on the plan to manage grants.
- 8.4. Insourcing: the insourcing of essential services will go a long way as a mechanism of revenue enhancement for the City of Ekurhuleni, an example in the ongoing tender and contract of waste collection trucks for instance which is outrightly irrational. The municipality has adequate internal capacity to collect rubbish efficiently and effectively from all the areas of Ekurhuleni without reliance on external service providers. This will save the City hundreds of millions of rands in wasted revenue. In order to continuously build the capacity of the people's government to deliver services internally we must optimally make use of our current human resources and equip our valuable employees with the necessary and relevant tools of trade.
- 8.5. Due to the rising levels of unemployment and poverty amongst our people, the number of indigents in the City of Ekurhuleni is higher than the number that is estimated by the National Treasury. We will demonstrate to the National Treasury that the population size of Ekurhuleni, particularly of the indigent population, is higher than their estimations, and this will be a sound basis to increase the municipality's equitable share. We know this because the National Treasury uses 2016 Community Survey data of 2016 and 2011 poor household ratio to calculate the percentage of poor households, and this has an impact on the agreed monthly cost per household for

electricity and water, sanitation and refuse on the discretionary grant in the equitable share.

8.6. Corporatisation of Springs Fresh Produce Market: We believe that Ekurhuleni has the capacity and market to develop further the Ekurhuleni Fresh Produce Market to be similar or bigger in size, value, and impact to the Johannesburg Fresh Produce Market. Johannesburg Market continues to be a major source of revenue for the City of Johannesburg for service delivery purposes. What will be an added advantage to the Ekurhuleni Fresh Produce Market is the fact that we must provide agricultural support to small-scale and medium farmers to produce agricultural products which will have a guaranteed off-take from the Ekurhuleni Fresh Produce Market. Corporatisation of the Fresh Produce Market is not the same as Privatisation; it is a mechanism that seeks to increase the agility and flexibility of the market in a manner that would not be possible under the current regulatory and legislative framework. This revenue enhancement mechanism demands that we as the City of Ekurhuleni allocates the land at our disposal to farmers who will produce food with a full guarantee that there will be offtake of the food products, this will create sustainable jobs for our people.

8.7. Enhanced Traffic Fines Collection: An integral part of our revenue enhancement plan is the maximum collection of traffic fines. To facilitate this, we will leverage technology to streamline the process. Upon the issuance of a traffic fine, it will be immediately delivered digitally to the offender's phone. This will not only ensure instant notification but will also provide an option for immediate payment, thus eliminating delays. We emphasize that this revenue, far from lining individual pockets, is intended to enhance services and infrastructural development in the City of Ekurhuleni. We remain committed to transparency, fairness, and efficiency in this process, and the funds collected will directly contribute to improving the quality of life for our citizens.




9. INFRASTRUCTURE

Our infrastructure is in a state of despair. Our roads are riddled with potholes, even within the several Central Business Districts. Traffic lights are broken. Municipal-owned buildings are deteriorating. Our stadiums and other sporting facilities are in a state of neglect. Alarming, upon assuming office, we discovered that the City had spent only R29.8 million of the R94.8 million allocated for infrastructure, leading to a reprioritization of R65 million away from infrastructure due to the absence of a practical and credible plan to effectively use the funds. Some of the contractors had withdrawn from projects because of non-payment. This has occurred while our people in hostels, informal settlements, and townships are yearning for decent infrastructure.

In order to address these pressing issues, we will embark on an infrastructure rehabilitation project. The projects will include the following key measures:

- 9.1. **Roads and Potholes:** A dedicated pothole repair team will be established within the municipal works department. This team will actively identify, prioritize, and repair potholes throughout the city. Regular road maintenance schedules will be strictly adhered to, helping prevent the formation of future potholes. We have allocated **R256 million** to prioritise roads and stormwater construction. Part of this money will be used to rehabilitate our roads and clean our stormwater drainage.

- 9.2. **Municipal Service Buildings and other Neglected Council Properties:** We will conduct regular inspections of all municipal buildings. Any issues identified will be promptly addressed, with a preventive maintenance plan put into place to ensure the longevity of these structures. We plan to engage local construction and maintenance companies, while also exploring options to build internal capacity, reducing our dependence on third-party service providers; our commitment to this is reflected in the **R4.4 million in Health and Social Development, R22.3 million for SRAC, R68.7 million to Real Estate Department on repairs and maintenance.** Specifically, we will ensure that where necessary we renovate some of the properties in Wadeville, Boksburg & Bedfordview to provide decent quality affordable rentals for



working class, skilled and professionals respectively. In order to speed up this process and have occupation in early 2024 the private sector will be invited to submit RFPs.


9.3. **Hijacked Buildings:** In collaboration with law enforcement agencies, we will reclaim hijacked buildings. Once reclaimed, these buildings will undergo thorough inspections and necessary renovations to ensure their safety and habitability. These buildings will then be rented out to eligible tenants who are capable and willing to pay for municipal rentals.

9.4. **Central to our vision of a City is that "the lights don't go out".** The City's illumination has a profound impact on its character, safety, and function. Therefore, we commit to expanding and intensifying the rollout of high mast lights, particularly in informal settlements and townships that are not connected to the national grid. This will ensure that these areas are well-lit even in the event of power outages. This initiative extends to our traffic lights and all other municipal infrastructure, to ensure reliable operations at all times.

We have since intervened to ensure that **contractors are paid on time**, even if it means we allow invoicing twice a month. This will address spending in the next two months, but for the purpose of the budget we are tabling today, we are confident that all the budget allocated for infrastructure will be spent and will be spent on time.

In the medium to long term, we need a more sustainable and concrete solution. We will review our current practices and look for opportunities to insource critical infrastructure services. By so doing, we aim to build internal municipal capacity, thereby reducing our reliance on external tenders and third-party service providers. The hybrid model of using internal capacity and service providers is not working.

Also, those who are required to pay municipal rent must do so. We will not tolerate situations where municipal buildings and property are occupied by individuals who can afford to pay rent but choose not to. This policy applies to everyone, including municipal workers who are currently residing in these properties.



With clear, practical timelines and a commitment to maintaining a high standard of repairs and maintenance, these comprehensive measures aim to significantly improve the state of our city's infrastructure. In doing so, we can provide a safer, more pleasant environment for all our people.

10. SANITATION AND HUMAN DIGNITY

One of our topmost priorities is to ensure that our people are treated with dignity and receive decent sanitation services which we can achieve through the eradication of chemical toilets. We are firmly committed to treating this issue as an emergency that requires an immediate and practical solution. There is nothing sweet about cleaning chemical toilets through honey suckers.


We should expedite the process of removing these chemical toilets from our communities, replacing them with dignified and hygienic sanitation solutions. We recognize that proper sanitation is not a luxury, but a fundamental human right which restores the dignity of our people. As such, we are looking at investing in the construction of decent toilets as we engage in the informal settlement re-blocking programme.

Our commitment is not only to remove these dehumanising facilities but to ensure they never reappear in our city. We don't want to see those things in our City anymore.

11. ENVIRONMENT AND WASTE

Madam Speaker, the state of our environment is a pressing issue, one that requires our immediate attention. Litter has overwhelmed our streets, with the Central Business District being no exception. Illegal dumpsites are appearing throughout the City because the City is not collecting waste regularly, while our parks and cemeteries remain unkempt. Our people in Kempton Park, Germiston, Benoni, Thembisa, Duduza, Katlehong, and Tsakani are particularly affected by these challenges.

We believe that the cleaning of our environment must start with the municipality, and our people will be encouraged and will be empowered to look after their environment. The




following will constitute the core of our practical measures to deal with the environment and waste:

- 11.1. As the immediate intervention, we have allocated **R2.8 billion for environment and waste management**, and we will use **R54 million** of the allocated budget to buy waste collection trucks. As we have said in our press conference, we must be a City that does not depend on service providers to collect waste, we will collect waste and create sustainable jobs. We have already purchased 12 trucks, of which two were delivered at the beginning of the month, two will be delivered next week and eight will be delivered in July.
- 11.2. Parks are the lifeblood of our community spaces and play a vital role in the health and well-being of our people. We will clean and beautify all entrances of townships and informal settlements as part of upgrading them. This will restore the dignity of our people; they too deserve clean and beautified entrances to their places as well as cutting of grass in open fields. We have allocated **R77.6 million**.
- 11.3. The rise in illegal dumpsites is alarming. We will capacitate the Ekurhuleni Metropolitan Police Department, EMPD, to hold accountable those guilty of illegal dumping. Simultaneously, we will educate our citizens on the **dangers of illegal dumping and the importance of proper waste disposal**.

Furthermore, we have allocated **R47 million** to ensure that waste disposal and landfill sites are always operational and clean, in order to avoid unnecessary disruption of waste collection. In doing this, we will put measures to minimize environmental impact and improve efficiency.

- 11.4. We will organise regular city-wide campaigns, calling upon our people to be part of the drive to keep Ekurhuleni clean. Our Mayoral Service Delivery Friday programme has been re-engineered to focus on these objectives. These campaigns are not about politics; they're about our common goal to maintain a clean city for ourselves and generations to come. Honourable Councillors, we



must not politicize cleaning our communities. Remember, cleanliness is next to Godliness.

12. SOCIAL SERVICES

Education

Consistent with the commitment of the Executive Mayor in the *State of the City Address*, we are going to revive the bursary scheme that was operated in the Mayor's Office. We have allocated **R15 million for the mayoral bursary scheme**.


More than the bursaries scheme which is going to fund children to go and study outside Ekurhuleni. We have begun engagements with institutions of higher learning to come to the City and establish satellite campuses. All other seven metropolitan municipalities have major universities.

The City of Johannesburg has the University of Johannesburg and the University of Witwatersrand; the City of Tshwane has the University of Pretoria and Tshwane University of Technology; Nelson Mandela Bay Metropolitan Municipality has Nelson Mandela University; the City of Cape Town has the University of Cape Town, University of the Western Cape, and the Cape Peninsula University of Technology; eThekweni Metropolitan Municipality has the University of Kwazulu-Natal, and Durban University of Technology; Buffalo City Metropolitan Municipality has the University of Fort Hare; and Mangaung Metropolitan Municipality has the University of Free State.

Only the City of Ekurhuleni does not have a major university or university campus. This must change and we will make sure that we have credible institutions of higher learning in the City of Ekurhuleni.

Health and Social Development

Madam Speaker, while health remains an unfunded mandate, we have allocated **R1,371 billion** in terms of employee-related costs in the department, ours is to ensure that we have



enthusiastic civic participation. Let's unite in celebration of our identity and shared love for Ekurhuleni!

13. PAYMENT OF MUNICIPAL BASIC SERVICES

Madam Speaker, we have made a call and continue to call on all those who use municipal basic services and can afford to pay must do the right thing. In an effort to support this call, we have ensured that our Siyakhokha App, can now be used data-free. This, just like the use of zero-rated apps, is a service delivery milestone we are proud to announce today.

This extends to debt rehabilitation incentives, arrangements for deceased estates, and account payment incentives wherein we will continue to provide support to cash-strapped ratepayers in the form of a debt rehabilitation incentive.

Over and above our efforts to assist our residents to settle their municipal debts, we have reviewed our debt collection policy to make it less hard to make arrangements. We have noted and heard calls that sometimes it is hard to honour arrangements that had been made initially. To this end, the customer shall be required to make a down payment based on consolidated arrear debt on the date of entering into an agreement to pay in instalments on the following basis:

- | | | |
|------|--|-----|
| i. | 1st Debt Repayment arrangement: | 0% |
| ii. | 2nd Debt Repayment arrangement: | 0% |
| iii. | 3rd Debt Repayment Arrangement: | 10% |
| iv. | Additional Debt Repayment Arrangement: | 20% |

This is a significant shift from the initial policy which requires 15% and 30% down payments for second and third arrangements.

14. FORMULATION OF THE BUDGET

The people of Ekurhuleni, through a public participation process and budget tips campaign conducted last month, overwhelmingly directed us to address a number of pressing issues. These include high tariff increases, the impact of continued load shedding on water provision,

the state of our roads - particularly in townships and informal settlements, non-functioning streetlights, and frequent sewer overflows.

They further instructed us to speedily deliver housing, to put an end to water interruptions, and to cut overgrown grass in areas like Germiston-Makause where the recent murders of Sophie Tshukudu and Hlengiwe Ndlovu have contributed to the scourge of Gender-Based Violence and rising crime rate in the City.

All of these tasks must be undertaken in addition to efforts to drastically reduce power outages that perpetually plunge our people into darkness.

We want to take our people into confidence and assure them that we will endeavour to release all these commitments regardless of the fact that this is Recovery Budget in its nature. Our intention is therefore to ensure that we do thorough allocation and optimally use our limited resources and ensure the completion of capital projects. While at it, we must guard against increasing deficit and debt. We further commit to creating more reserves in the current MTREF as part of the City's Broad Fiscal Consolidation Strategy.

These inputs add to a number of other factors that were taken into consideration in the revision of this MTREF budget, including but not limited to:

- The People's Government's immediate priorities as outlined in the *State of the City Address*;
- The 2023 Integrated Development Plan (IDP);
- The Division of Revenue Bill tabled by the National Minister of Finance;
- Gauteng Province 2023/24 gazetted allocations; and
- Guidelines from National Treasury contained in the latest Budget Circular.

Honourable Speaker, we have engaged our people and all stakeholders through a thorough consultative process that took place between the 13th and 24th of April 2023 at various Customer Care Centres, through inputs on email and the City of Ekurhuleni App, and engagements with stakeholders and businesses in the City.


Through our engagements, we have been able to reaffirm our commitment to communication with our constituents. During the *State of the City Address*, the Executive Mayor alluded to the need to improve our responsiveness to service delivery. Indeed, allow me to elaborate further on the issue of improving our communication with the residents of Ekurhuleni. Government business is the people's business, and we need to maintain very clear and effective communication lines and systems with our residents. We have already detailed our resolve to renew the **Social Contract** with our residents and other stakeholders and this is one of the key drivers towards this goal.

Our state communication machinery must be well equipped with personnel and the necessary gadgets and resources to effectively do their work. We must improve communication from the logging of a call at the Call Centre until the problem is attended to and closed. Ours is to make sure that the resident is well informed and kept abreast of their complaint – so that they become comfortable that their issue is receiving attention and the City cares and is on top of the situation. We have seen in many instances that our people are frustrated by the fact that there is a lack of communication after they report incidents.

There must be more push communication when an incident happens until the matter is closed or resolved. If there is a water pipe burst, communicate it first and keep updating the people.

Our Communications and Brand Management Department also needs to up the game because we are also being accused as a City of not communicating government programmes effectively. In fact, the assumption out there is that our City is non-existent in the communication space. This is evident from the figures in the social media space, which demonstrate that Ekurhuleni is way behind other sister metros. In actuality, we are not even in the top 100 in the world in terms of brand management. We need to be more vigilant in exploiting existing communications avenues while aggressively seeking other creative ways of communicating effectively with our residents and stakeholders.

Let us communicate and market all our communication platforms to the people. Residents must know that they can find us through the call centre, SMS systems, WhatsApp, and the website. Not only should we publicize these, but we need to also ensure that they are properly managed by revolutionary staff who are ready to make a difference and have a clear



appreciation of the importance of communication as a critical component of government work and the renewal of the social contract. If it is a matter of not having the right skill set, let us immediately start searching for the necessary skills and roping them in so that we do justice to our cause and mainly the residents of Ekurhuleni.

15. TARIFFS

In addition to what we have indicated above, tariff increases are limited to the Consumer Price Index as pronounced by National Treasury in March 2023. These tariffs are not driven by the need to either recover the cost or make a profit. As part of renewing our social contract, these tariffs seek to restore the city's finances. It is, for this reason, we are proposing a **4.4 percent assessment rate** increase to cater for The People's Government priorities. This is 0.9 percent lower than the consumer price index.

Except for higher water and electricity increases which are determined and imposed by the Rand Water and National Energy Regulator of South Africa (NERSA) despite our demands for lower tariffs, we are proposing **5.3 percent tariffs increase** for key municipal services in line with the inflation rate.

Madam Speaker, around **66% of the City's budget revenue of R55.3bn for 2023/24** is projected to come from electricity, water, sanitation and refuse collection charges. We must therefore maintain the infrastructures of these departments as they materially contribute to our revenue base; to this end, **we propose repairs and maintenance of R1 billion for Electricity, R364 million for Water and Sanitation, R148 million for ERWAT and R105 million for Environmental and Waste Management**

Honourable Councillors, in the *State of the City Address*, the Executive Mayor announced key service delivery commitments for this administration to make a revolutionary impact on the lives of our people.

We are tabling a consolidated expenditure budget (which includes entities) of **R57,6 billion**, of which **R54.9 billion** is for Operating Expenditure and **R2,7 Billion** for Capital Expenditure.

We intend to fund the operating expenditure with **R49 billion** from the provision of basic municipal services, and the remaining **R6.3 billion** will be funded by equitable share allocation and grants.

We are budgeting for an Operating Surplus of **R401 million** that will assist in building reserves.

We intend to fund the Capital Budget of **R2.7 billion** from the provision of basic municipal services of **R355.6 million** and **R2.3 billion** through grants.


Madam Speaker, considering this proposed allocation, there is an urgent need for the City Manager as the accounting officer to institutionalize a division within the Finance Department that will be tasked with grant funding and management so that we do not return much-needed grants to the national treasury when our people are still in need of critical municipal basic services. This division must be fixated on ensuring that the City benefits optimally from available grants and that they are spent timeously, and, on the projects that they are conditionally allocated for without fail.

Furthermore, this division must ensure that it consolidates funding opportunities outside of the national and grant management framework, as our capex cannot solely be grant dependent. Yes, our grant spending is quite satisfactory at this stage, but we can do more.

16. SOCIAL RELIEF PACKAGE

Madam Speaker, We shall continue to advocate for the increase of social grants by National Government because we have noted that the current packages given are not sufficient to sustain households. Ours is that these must be doubled.

Madam Speaker, free basic services to indigent households are not a support measure for the poor. It is our obligation. We must ensure that each and all households have access to free basic water and electricity, and sanitation. At the moment, the national legislation prescribes 6 kiloliters of water and sanitation and 50 kilowatts per hour of electricity per month.



These prescribed allocations are not enough, and we know this because most of our people spend more than the prescribed allocations, and we must make necessary adjustments to the City's budget for the future to avoid the cost of excessive consumption is estimated at **R700 million** a year.

Equally important, we must bridge the gap between the number of registered indigent households and those that are not registered but should be. We have already reviewed the qualifying criteria from **R250 000 to R500 000** of property value to be deemed indigent and this will add an additional 220 000 more households to the indigent database.

It must be noted that between 2016 and now we have electrified 25 665 stands in informal settlements, and an additional 1 862 will be electrified in the current budget. The socio-economic status of these settlements dictates that in the majority these households should be deemed indigent. This would materially increase the 220 000 indigents mentioned above to 247 527 – which should have a significant impact on our equitable share.

As already indicated, our finances may not be what they should be at this stage, but we understand the plight of people hence our commitment to continue with the social package for indigent relief. The package for this financial year is as follows:

- 50% rebates on assessment rates;
- Free refuse removal;
- 50kwh of free electricity per month;
- 6kl of water and sewer per month;
- Free indigent burial to registered and deemed indigents; and
- Special rates on emergency services such as ambulance and fire-fighting.

The total cost of this social package to the City is **R5.1 billion** which is an increase of **R200 million** from the previous financial year.

Madam Speaker, as The People's Government we have no doubt that going forward we must revisit the current social relief package to see how best we can improve it. To the people of

Zonkezizwe we have heard your pleas and that many other communities across the City who have called for the reinstatement of the old social relief package. To this end, we will be looking at the best way to reinstate the desired **100kwh** of free electricity and **9kl** of water for indigent households.

17. JOBS

On all these things we are doing, our ultimate purpose is to create jobs for our people. As we have mentioned earlier, the latest data released by Statistics South Africa 2023 quarter one labour survey shows that more and more people are unemployed.


In everything that we do, we must seek to create jobs. When we clean our streets, we must absorb as many of our people as possible in Alra Park, Reiger Park, Phola Park and many other townships.

When we repair potholes and clean our storm drainage system, we must employ as many of our people as possible instead of giving one person a huge tender only for them to exploit workers.

When we repair and maintain municipal infrastructure, we must employ as many of our people as possible.

When we collect waste, when we build clinics, when we revive tourism, we must do everything in our power to create sustainable jobs. Let's get our people to be working and let's attract industries.

We in Ekurhuleni should work in collaboration with the provincial and national government to maximally utilize the Special Economic Zones, and purposefully attract investment in Ekurhuleni.



We must attract investment for manufacturing and assembling solar panels, we must attract investment in the Aerospace Industry for manufacturing of aircraft parts and components, maintenance, repair and overhaul, and satellite systems.

We must not only build warehouses, but we must also attract investments that will create jobs for our people.

Additionally, we commit to putting in place sustainable and impactful mass employment programmes for thousands of people of Ekurhuleni who will keep our Towns and Townships clean at all times. The MMC of Waste and Environment will make sure that the approach to KEEPING EKURHULENI CLEAN is a labour absorptive programme which is managed and directed by the Municipality in collaboration with Non-Governmental Organisations and not through irrational and senseless tenders.

18. NON-PAYMENT OF SERVICE PROVIDERS

Considering our intentions and proposals with the City's budget, we will equally work towards resolving the issue around the non-payment of service providers. Colleagues, the issue of non-payment to service providers has the capacity to undermine the integrity of the City's finances and our economy and has serious implications for the ability of the City to deliver services. Since we took office, we have worked with the city officials to process a significant number of unpaid invoices.

We recently had an Imbizo with the suppliers and all they were crying for was payments for work they had already done and invoiced for. Some even raised the issue that they have gone for months without payment and were on the brink of closing shop. Completely unacceptable.

We will strive to pay invoices in time to ensure that we do not contribute to the already struggling economy by withholding payments to suppliers.

19. CORRUPTION

All these things that we have outlined here will not be achieved if we do not deal with corruption. The ineffectiveness of the Disciplinary Board in our city has emboldened municipal officials to form part and parcel of corruption. We have made firm reports in the past with practical and clear recommendations on actions against employees implicated in wrongdoing, but these have not led to any action and these people continue to work for the municipality while looting the limited resources of the City through fraudulent "ghost" invoicing particularly using sundry payments.

In order to hold people accountable, we will strengthen the Internal Audit Department with the capacity to deal with investigations speedily.

20. CRIME AND GENDER-BASED VIOLENCE

The safety and security of our people are of paramount importance to us as a city. We cannot overstate our commitment to fighting crime, which has been especially ravaging our informal settlements and townships where, sadly, law enforcement's presence often falls short. The EMPD has an employee-related cost of **R2,380 billion**.

To address this, we are devoting substantial resources towards strengthening the Ekurhuleni Metropolitan Police Department (EMPD). We have allocated **R10 million** to bolster the Department's capacity to deliver on its mandate more effectively.

A critical part of this initiative will involve improving the recruitment process to ensure that only competent and dedicated individuals serve as officers. Furthermore, we will implement rigorous training programs that emphasize policing skills and knowledge of gender-based violence.

We understand that the visibility of the EMPD alone will not suffice. We need to ensure that our EMPD officers are reliable and sensitive, and that they don't shy away from crime scenes.




SOCA COMMITMENTS

Madam Speaker, most of the priorities that were identified by the Executive Mayor in the *State of the City Address* have found expression in this budget. However, I would like to highlight a few as a demonstration that as The People's Government we are not about making empty promises, but our agenda is service delivery, service delivery and service delivery.

The following are additional projects from the Executive Mayor Speech which we are already actioning and the allocations in the 2023/24 financial year:

- **R277.5 million** – Upgrading of substations, network enhancement program, bulk services to new developments program, broadening the service to new developments and informal settlements, upgrading of the ageing backbone electrical network, John Dube and Daggafontein developments;
- **R274.5 million** - Re-blocking and electrification of 12 additional informal settlements within the remainder of the term.
- **R2 million** - Towards making assets of the City tamper-proof, highly resistant to vandalism and ultimately crime-proof;
- **R124 million** - Fixing of water leaks, including fixing in-house leakages for indigent households – thus scaling down non-revenue water;
- **R173 million** - Upscale the maintenance of sewer networks to minimize sewer spillages;
- **R1.1 million** - Re-engineer the **Vukuphile** Programme to focus on maintenance within the built environment - incubating 50 young people (gender equal) skills development: plumbing, carpentry, landscaping, road, sewer and stormwater maintenance, fixing of streets and traffic lighting;



This project is part of the corporate social investment from companies in our special economic zones, helping to combat the effects of load-shedding.

In addition, we will install solar geysers to ensure hot water availability. To further secure our infrastructure, we will work alongside Rand Water to explore off-grid and hybrid models to protect water and sanitation facilities.

Moreover, we'll include practical solutions like battery storage systems and micro-grids. Battery storage will save excess energy produced during the day for use when needed, while micro-grids will allow areas to operate independently from the main grid, ensuring consistent power supply. Our ultimate goal is to provide dependable electricity to all today.

Even if there is a complete blackout, we must still have some lights beyond the airport. Madam Speaker, as we conclude we want to emphatically declare that the City of Ekurhuleni is One City and by all means, we must avoid our townships being typical towns of the native which Frans Fanon reminds us that beyond being dark it "is a world without spaciousness; men live there on top of each other, and their huts are built one on top of the other. The native town is a hungry town, starved of bread, of meat, of shoes, of coal, of light ... where the 'settlers' town is a strongly built town, all made of stone and steel. It is a brightly lit town; the streets are covered with asphalt ..." Ours is therefore to make sure that all the corners of the City of Ekurhuleni remain lit!

22. CLOSING

Lastly, Madam Speaker, let me take this opportunity to thank the parties in Council who represent the majority of the people for giving us the opportunity to form this People's Government, we do not take your support for granted and as the Executive Mayor committed in his *State of the City Address*, the priority of political stability can only benefit the majority of our residents. We also call on our administrators to follow the tune and ensure that there is also stability in the administration.



Honourable Councillors let's put our differences aside. Let's put our people first. We have all heard their cries, needs and demand, let's work together to deliver the priorities of the People's Government and service our people. To the people of Ekurhuleni, here is your budget, the People's Budget.

Madam Speaker, I present to you and this august house the 2023/24 budget.

I thank you.