

Executive Mayor's Speech:

Tabling of IDP for 2017 to 2022 and the Budget for the Medium-Term Revenue and Expenditure Framework 2017/18 to 2019/20.



Special Council Meeting: 29 March 2017

Time: 10h00

Venue: City Hall, Kimberley

Tabling by: Honourable Executive Mayor: O.M. Matika

Honourable Speaker

Members of Mayoral Committee

Chairpersons of Committees established in terms of Systems Act Section 79

Fellow Councillors

Honourable Guests, our special guests

The Municipal Manager and his team

Members of the public, media houses representatives

I greet you all this morning

Life is a continuum. Every time a challenge or an opportunity presents itself, it is time for new beginning. This is exactly my feeling at this point in time.

Let me start this speech off by quoting former President Thabo Mbeki, “The poor prey on one another because their lives offer no hope and communicate the tragic message to these human beings that they have no possibility to attain a decent standard of living”. The above statement reflects the challenges our people face on a daily basis and we need to use today’s platform to create new hope for all residents of the city.

We owe this commitment to the late Solomon Thekiso Plaatje after whom the Municipality is named who is a world renowned writer and academic. He was an epitome of excellence and service to his people and these are the values we need to carry with us as we enter into this new era.

Honourable Speaker and Councillors, we are starting a new journey. We have taken over from our predecessors who worked hard, with love and passion to serve. Ours is to take this baton and run like athletes and aim to finish the course. It has never been about winning or losing, but rather about serving the people of Sol Plaatje Local Municipality.

The 3rd of August 2016 marked the 4th local government elections in South Africa, just on the brink of us celebrating the 16th year of local government existence in its current form.

This system of democratic local government, brought stability within our communities, which is central to the entire transformative project of South Africa. Through the work of municipalities in the last 16 years, the dignity of South Africans was restored and they were able to get basic services and amenities that was only a dream prior to 1994.

Sol Plaatje Local Municipality, like all other municipalities, took part in celebrating. This we did by advancing the achievements obtained in the process of meeting our mandate of creating accessible and affordable services to all residents. The achievements of our municipalities are reflected in the increased number of people who now have access to many services of whom previously had no access to at all.

The delivery of services in previously disadvantaged areas and informal settlements and the pace at which it has proceeded, have now reached stability, despite the continued challenges we experienced and the introduction of new legislation and regulations.

As the newly elected collective, we must continue where the previous leaders left off. This time, we must work smarter and faster whilst we pursue excellence in compliance and service delivery.

Despite all these achievements, we, as the incoming council, are faced with many more challenges.

Firstly, in the list is the latest drought experienced by the country. Despite the recent rain, it had a negative impact on the economy. It is even worse in our municipality, being a water scarce area and facing an ageing infrastructure. These make it even more difficult to save water.

Secondly, while services have been extended to some residents and households, many others are still waiting, because of the backlog resulting from apartheid exclusion and the fact that we are the epicentre of the province, and considered the city of opportunities, the city of hope.

As a collective, we are confident that by the time we celebrate the second decade of local government in 2020 we would have achieved drastic changes to better the living conditions of our people.

Honourable Speaker, as we begin this journey, allow me to present the Integrated Development Plan 2017 to 2022, as well as the Budget for 2017/18 to 2019/20 Medium Term Revenue and Expenditure Framework for Sol Plaatje Local Municipality.

We began this journey of compiling this IDP and Budget immediately after we assumed office as this Council. We engaged internally to establish our feet, understand the status quo of infrastructure, the human capital, the finances, the governance model and the progress of the Budget that was under implementation.

We subsequently visited every ward, through Mayoral Imbizo's during November and December of 2016, in order to gain a better understanding of the lengths and breadths of the municipal wards, the conditions in these wards, level of service provided and the community's views on the municipality. These inputs became valuable in shaping what the 2017 – 2022 IDP should address. We further engaged the public during the month of March and we have heard the people.

Honourable Councillors, the City of Kimberley is known as the City of Firsts. I had taken time to research what are these "firsts" and posed the question, "Are we still leading in these areas to date?" Let me indulge you on few of the firsts that I found very intriguing:

1871: The first Private Postal Delivery Service.

1877: The first professional training of nurses.

1882: The first city in the Southern Hemisphere to install electric street lighting and on the 2nd of September 1882, the electric lights of Kimberley came on before those of London.

1883: The first Stock Exchange in South Africa.

1889: The first hotel with electricity. The first to win the Rugby Currie Cup.

1926: The first Industrial Council.

1928: The first diamond cutting factory.

1929: The first woman to play tennis without stockings at Wimbledon.

1967: The first nation-wide direct dialing telephones.

1976: The first housing scheme, Ipopeng in Galeshewe, for black employees.

1980: The first South African to be elected to the world swimming hall of fame – Karen Muir.

1983: The first Coloured Priest to become a Bishop.

1992: The first City Council to amalgamate all group areas.

Since that time to date, we had produced, we had worked and we had grown as a city. Our dedication and conviction is to reach out and serve. We have the obligation to improve the living conditions and the lives of the people.

We can reclaim our position and become a ***leading and modern city***. We are compact enough, we are resilient, we have the hottest weather, we don't have the blue seas, but we have a "to die for" sand horse racing course at the Flamingo Horse Racing Park. We have Riverton, we have Ritchie, we have the R31, we have N12 and we have the N8, and yes, we might not be having N1, but we join N1 from N12, and most of all we are central, toll free between east and the west. This is an absolute advantage. We have the potential to expand beyond the current urban edge, and most of all, now, we have the university.

Sol Plaatje has been most popular to government for introducing new ideas. We are piloting the Integrated Urban Development Framework, a pilot for the "New Deal". We have piloted the Budget reforms since 2001 to 2004, and we have also piloted, successfully, the Municipal Standard Chart of Accounts. It is for this reason that we call upon the society to hold our hands as we are embarking on this journey of new generation of firsts.

The vision that this IDP and Budget is based, is the notion: "***Towards a leading and modern city***". Now you understand why we wish that you

agree with us. We want to claim our rightful place of the city of firsts that we are known about.

We are inspired by the African Union Agenda 2063. It's aspirations are giving hope to the people of Africa. The very same hope we want to give to the people of Sol Plaatje Local Municipality. These aspirations are:

1. ***Spatial Transformation*** with the intent to transform the current spatial structure of the city towards an equitable, inclusive, efficient and compact form with integrated and connected economic corridors
2. ***Inclusive Growth*** with the intent to establish competitive economic position that attracts diverse investments, increases economic growth and creates targeted number of jobs
3. ***Service Provision*** with a clear plan of action for the installation, maintenance and operations of infrastructure, and provide services efficiently and in a sustainable manner
4. ***Governance*** with the intent to lead, direct, manage spatial growth robustly, enhance revenue generation and improve operational efficiencies, and achieve social integration

To become a leading city means you must exhibit specific traits and capabilities, you must be relevant, have a compelling national and global identity, be unique and find your niche, and be an enabler.

With the concept of a modern city, we want to create interest in Sol Plaatje, and become a city with a particular spatial characteristic. A city that expands both upwardly and sideways. We must work together and create increasing needs for urban planning, easy flow of transportation,

accessible utilities, tourism (event tourism) and reputable governance and management.

Honourable Speaker and Councillors, there is an enormous task lying ahead of us, and I implore you to be prepared to work as hard towards the realisation of the aspirations as I have alluded to.

The National Development Plan has correctly stated an approach to change being;

1. Strong leadership
2. Effective government and
3. Active Citizenry

Sol Plaatje has come a long way, from the days of inadequate bulk supply capacity, placement of moratoria, insufficient cash reserves disclaimers of opinion to mention but a few. The moratoria that was placed basically brought this city's development to a standstill, a situation detrimental not only to the citizenry and economy, but to us as local government.

Honourable Speaker and Councillors, in the IDP 2012 to 2017, we committed to reverse the situation of inadequate bulk infrastructure. During this term of IDP, the municipality invested over R940 million on bulk infrastructure expansion and upgrades.

We upgraded the Homevale Sewer Treatment, to ensure that it functioned optimally according to its design capacity. The completion of the upgrade enabled the upliftment of moratoria, and the development of Lerato Park Project began. Private developer's applications could also be processed

as a result. A new Sewer Plant in Homevale, the Homevale Plant Extension is at its finishing touches.

We have increased the capacity of electricity supply, from 120MVA to 200MVA. This capacity is estimated to carry current and future developments for at least up to 2030 based on current trends of population growth and rate of development.

We resealed roads with a budget of R80 million, with total kilometres resealed averaging 80. The intention Honourable Speaker was to improve the roads leading into the Central Business District, as well as the upgrade of all major intersections using heavy duty industrial interlocking paving blocks. These blocks are durable and requires less maintenance.

In the previous IDP, we implemented the installation of valves in the water reticulation network. These valves enable the isolation of unaffected areas during service interruptions, option we never had before. Zone meters were also installed for better management of water, accountability and water balancing.

In the new term of IDP, we are committing to focus on finalising the building of bulk infrastructure, the upgrade of informal settlements, and the upgrade of roads, improve governance and institutional capacity. We will redouble our efforts to resolve negative public perception and image of the municipality.

In this process, there will be those who will attempt to distract others from seeing the good we had achieved. We live with them, and they may be here too. Believe me, we are stronger than yesterday, and tomorrow, we will be better than today. This is our commitment.

The Spatial Development Framework is the cornerstone of the development agenda we wish to put forward. It is the “New Deal” which requires us to focus on the following key issues

- A clean City
- A city that attracts investments and tourists
- A city with good infrastructure
- A safe and secure city
- A city where there are job opportunities, job security and shelter
- A city that houses people
- A city with youth that is involved, productively,
- A city that harnesses integrated development
- A city that invests in public participation, a city that is connected to its people
- A city that works together

If we take a step back and see where we started this journey in 2012, we note the backlogs which we thought we cannot resolve. We did not run away, we stood our ground, and we worked to achieve the vision to uplift the moratoria. Now, it is all done, a new journey begins.

Indeed, life is a continuum. It never stops. We understood then that time and tide wait for no man.

Sol Plaatje Local Municipality hosts the provincial legislature, as such it is the capital city of the province. It is the city perceived to have more opportunities than anywhere else. This city is home of the Northern Cape High Court Division, and home to Frances Baard District Municipality, and now, the university. As such, migration is a challenge that we shall sit with.

When people migrate, they increase the likelihood of urban sprawl, and the mushrooming of informal settlements becomes prevalent, leading to land invasions and demand for services.

To this end, Honourable Speaker and Councillors, an opportunity is now presenting itself for us to plan ahead wisely and be proactive and innovative, rather than reactively, and make the vision of “***a leading and modern city***” a reality.

We have taken stock of the current informal settlements, our focus in the next five (5) years is the upgrade, and conduct feasibility studies of various land parcels for human settlements purposes. A further challenge we sit with as a capital city is the demand for land for middle income and high income earners (freehold or subsidised or bonded). Through our intergovernmental relations forum, we will be working hand-in hand with the Department of COGHSTA to roll out the FLISP to address this demand and challenge.

Honourable Speaker and Councillors, we are becoming landlocked within the established urban edge, and still we anticipate growth. In terms of the Community Survey Outcomes report, the population growth in Sol Plaatje is 3% per annum. At this rate, it is projected that the urban edge shall be filled to 90% capacity in 10 years. The enlargement of the urban edge will

become inevitable, and as such, the SDF must be reviewed. We must do our best to manage this eventuality.

Government is about the future, and the future must be planned today. Otherwise if we fail to plan, we are planning to fail.

The SDF has identified several nodes within Sol Plaatje with a possibility to attract private investment. These nodes are:

- The Riverton Node earmarked for leisure, conferencing and accommodation
- The Kamfersdam Eco-Node, mainly maximising tourism attraction opportunities
- The Big Hole Node has been found to be perfect for extreme sports festivities and leisure
- The CBD/University Node has economic spin-offs that had resulted in MacDougal Street being rezoned from residential to business, thus creating a new opportunity to extend MacDougal to join R31
- The Greenpoint node, with the advantage of being close to the airport, presents an opportunity for Light Industries
- The Platfontein Node with great opportunity for culture and heritage
- The Phakamile Mabija Node with the potential of high-rise buildings providing mixed use of convenience shopping centres, offices and accommodation

- The Ritchie Node, due to water sources availability, ideal for agriculture and agro-processing opportunities
- The Galeshewe, Nelson Mandela Memorial Monument Node for heritage. This monument will be the first of its own in the city as it is aimed to celebrate the life and times of the late and first democratically elected State President, Tata Nelson Mandela.

More research will be conducted at each and every node to analyse the available capacity of all services and the projected demand that will be exerted on the network as a result of the new developments per node. Our role Honourable Councillors would be to attract private investments at all these precincts and facilitate incentives where possible, provide bulk services and help reduce red-tape in as far as applications for land alienation and/or rezoning and speedy the approval of plans. This emphasises the importance of Infrastructure Investment Framework.

Whilst on the matter regarding development in the city, there has been an outcry for additional land for churches. Council has now approved the Land Policy which covers alienation to churches. We aim to process between 20 to 30 applications received in the immediate future. We however wish to remind the community and the Clergy that breaking away from original church cannot justify allocation of land. We will engage the Church Leaders Forum in this regard.

We are working hand-in glove with National Treasury, through the NDPG Unit to finalise Project Concepts that are aimed at developing neighbourhoods to stimulate economic activity and related opportunities.

To this end Honourable Speaker and Councillors, local businesses beneficiation becomes critical as well. We have a youthful society, with

youth unemployment as high as 42%. We must create opportunities for young entrepreneurs, not only through tender opportunities, but assist them with the formation of cooperatives, incubate these businesses and ear-mark them for business and investment opportunities.

In support of this conviction, the supply chain policy has been amended in line with the Preferential Procurement Policy Framework Act which was passed by Parliament in January 2017, with effective date of 1 April 2017. We encourage youth, women in business, Black Industrialists, small businesses and all entrepreneurs to register on the National Treasury's supplier database. This will be the source of data to identify Small Qualifying Enterprises, Small Exempt Enterprises as well as Exempt Medium Enterprises.

A Local Economic Development Summit is currently being planned. It is at this platform that these matters will be elaborated on.

The city is dirty and we can no longer wait in this regard. The graveyards are not appealing, the parks and recreation facilities are dilapidating and we need to find solutions to prevent vandalism of public amenities. This has been an outcry from the public. We have reviewed the cleaning project of the municipality. We have concurred that a clear strategy needs to be developed for city cleaning.

City branding is another area that we will be focusing on. Who are we and how do we identify ourselves? At this point Honourable Councillors, we should start with the building we occupy, we want to be visible, stand-out and make sure that no-one is looking for Sol Plaatje Local Municipal Offices, you must have a sense as you navigate the city, the direction to municipal offices and see the municipality.

The state of our internal roads is not appeasing. Planned maintenance is going to be the order of the day. We reserved this area for last in the IDP 2012 – 2017. Now that the bulk upgrade projects are complete, pothole patching and resealing will be given high priority.

The same applies to street lighting. These are not only for visibility at night, but safety and crime prevention is realised. We will invest heavily on equipment required to maintain the street lights. We rely on residents to report faults and damages, and ours, is to attend this as soon as possible.

In support of the above strategy, allow me Madam Speaker give you a synopsis of our long term financial plan.

The municipality, as we all know, funds its operational expenditure from operational revenue sources of property rates, service charges for water, electricity, sanitation and refuse removal.

The trends of the past five years reveals that service charges shall remain the major revenue source for the municipality, in the medium to long term budget framework. We must however, acknowledge new developments in as far as water and electricity tariffs are concerned and the impact these might have in the future.

We have experienced water restrictions, and recently the municipality had adopted a policy in this regard. You can survive with anything, but without water, there is no survival, there is no life. The recent droughts experienced and announcements made by the Minister of Water and Sanitation, Honourable Nomvula Mokonyane were aimed at preserving water at all costs.

I know that some of us had been excited by the rains that fell after Dineo and resulted in the upliftment of restrictions that were imposed.

These restrictions have a potential of impacting on the demand and sale of water. Due to no statistics in this regard, we have negated any possibilities, and we hoped and pray that before the drought becomes severe, storm will come, and sudden rains shall fall again.

I am not encouraging misuse and abuse of water; all I am saying is that we assumed that water consumption will remain constant per household rather than increase. Any changes in this regard will be dealt with through the normal budget process for reviews and adjustments.

We have seen the emergence of solar energy producing installations in our city. There is the growing interest to install the small scale embedded energy generation and the roof-top photo-voltaic panels. It is for this reason that we had developed a policy to give guidance to interested parties. The policy addresses the net-power generators and the buy-back conditions of the municipality.

The revenue from property rates is under pressure with the growing demand for rates funded services, especially roads, storm water, street lighting and cleaning of the city.

The unfunded mandate debate has been going on for a long-time, and we are optimistic that provincialisation of primary health will finally be resolved in the foreseeable future.

Honourable Speaker and Councillors, it is foreseen in the budget that with the increasing costs of bulk, and our very conservative approach to tariff increases, we will need to devise implementable action plans, that are outcomes based to manage demand as well as reduce losses.

We are not a profit-making business. We are required to render services in a sustainable manner, create certainty of supply and be liquid enough to operate for a minimum of three months under difficult economic

situations. At the same time, we need to be mindful that costs of providing the service must be recovered from the sales of such commodities or services.

The revenue base is projected to grow by at least 1% per annum. The revenue budget for the next five years is projected at R11 billion, that's an average of just over R2, 2 billion per annum, against operational expenditure projected at R10, 9 billion over the same period. Thus, an operating surplus of R100 million is projected.

Honourable Speaker, this is said with the speculations that customers will continue to consume services at current trends.

The Consumer Price Index is expected to be controllable at rates ranging between 3% to 6% over the period. We understand the difficult economic situation we find ourselves in, however, National Treasury, predicts that the economic performance is set to improve in the next three years. It is estimated that Gross Domestic Product will grow by over 2% annually.

With the strategy to diversify the economy by availing opportunities in the agricultural and manufacturing sectors, we hope to increase the regional GDP to at least 1% contribution to National GDP against the 0,6% as is currently.

As such Councillors, it is projected that revenue from service charges shall contribute 56% towards the revenues as projected, whilst rates shall contribute 27%, and non-conditional grants and subsidies contribution is projected at 9,2%.

Whilst speaking about the operational revenue budget, I would like to share the following statistical data Honourable Speaker.

The Sol Plaatje Local Municipality is home to about 20% of the population of the Northern Cape, in a relatively small area, the extent of which is 3 145km² (square kilo meters), yielding a population density of 79 persons per km² (square kilo meter). This makes Sol Plaatje the urban centre of the province. The average population density of the province is 2,9 people per km².

This confirms the point I had made earlier. Emanating from the African Union Agenda, cities are seen as hubs of cultural and economic activity with modern infrastructure and access to affordable and decent housing with all the basic necessities, and hence the migration we are experiencing.

We also recognise the fact that not all citizens have had the same opportunities in life. With unemployment rates standing as such, many families live on social grants. The situation is exacerbated by the fact that we have a high rate of child headed households and single parent homes, this increases the level of indigence in our municipality.

It has been estimated that households benefitting from indigent support shall increase to 15 000 in 2017/18, 17 500 in 2018/19 and 18 500 households in 2019/20, up to 22 000 by 2021/22, the last year of this IDP Cycle.

The Indigent Policy allows for free basic services for qualifying households. For the next five years, the support shall be retained at 6kl of water per month, 50 units of electricity, fully subsidised refuse removal and sanitation service charges.

As such Honourable Speaker and Councillors, the revenue budget has been compiled based on the following tariff increases assumptions:

Rates and taxes, to increase by 5,5%, from 0,009688 (just below one cent) cents to 0,010221 (to a cent) cents per rand of valuation.

Sewer and sanitation, to increase by 5,5%, from R137,60 (One hundred and thirty seven rands, sixty cents) cents to R145,17 cents

Refuse removal to increase by 5,5%, from R98,18 cents (Ninety Eight Rands, eighteen cents) to R103,58 cents (One hundred and three rands and fifty eight cents) per month.

Water to increase by 5,5%, from R5,27 (Five rands and twenty seven cents) cents per kilo litre (thousand litres) to R5,56 cents (Five Rands and Fifty Six Cents) per kilo litre.

Electricity to increase by 3,28%, from 143,82 cents to 148,54 cents, for IBT Block 1, for example.

The average tariff increase shall therefore be 4,5% against inflation estimated at 6,4% for 2017/18.

We understand by now that in as far as electricity tariffs are concerned, the guidelines are yet to be issued by National Energy Regulator, and should the tariff increase proposed not be in line with NERSA, the assumptions shall be reviewed immediately, and the budget shall be corrected as such.

We have been working hand-in-hand with the National Energy Regulator with regards to price determination and regulation of bulk costs increases, and this is the law, the Electricity Regulation Act 6 of 2006.

As this new Council, we have noted concerns raised by the members of the public with regards to comparability of the municipal electricity tariffs with similar sized municipalities. A benchmark exercise was done internally, which confirmed that we are not the most expensive city.

However, an independent analysis will be commissioned to investigate and report on this matter.

We acknowledge the commitment to reduce tariff increases by the Energy Regulator, and we will follow likewise. As for us as users, we must use electricity wisely and follow the tips as published on Eskom website.

A consultation paper has been issued with a closing date of 20 March 2017. An announcement with regards to guidelines on tariff increases is yet to be published. At this stage, a 1,88% increase for municipalities is imminent, whilst bulk costs are anticipated to increase by 2,2%, thus a variance of 0,48% less for municipalities against Eskom. However, all the variables were taken into account when projecting revenue from sale of water and electricity.

Having listened to the Minister of Water Affairs recently, the concept to consolidate water resource management and the establishment of the regulation authority is not far-fetched. Honourable Councillors, as much as I had shared with you the projections on the revenue framework, it is important to understand how these revenues are planned to be appropriated in the next five (5) as well.

The municipality revised its staff establishment and approved a new organisational structure aimed at executing and supporting the developmental plan of the municipality for the next five (5) years and beyond.

The strategy of the municipality is to maintain a ratio of 33% employee costs against the total operational budget per annum, whilst maintenance budget must be 10%, and bulk costs remain between 26% to 28% of the operational budget, whilst electricity bulk costs is 68% of operational expenditure for electricity trading service. As such, bulk of income

generated from sale of electricity pays the costs of purchases. For water services, bulk costs are 15% of total operational budget and employee costs is 70%.

Clearly the major cost driver for each service is influenced by the nature of service and the required human capital to ensure access, provision, operations and maintenance of infrastructure. These targets are in line with National Treasury's benchmark ratios for going concern and sustainability.

Honourable Councillors, it is futile to speak on all the upgrades of infrastructure and installations of new infrastructure if I will not be addressing maintenance as such. Allow me Honourable Speaker to inform the house that, in the budget I am tabling, the following provisions had been for the next 3 years:

An amount of R77 million has been allocated towards maintenance of internal roads across the city. Internal roads are roads within the neighbourhoods we live in. This includes the maintenance of potholes, installation of speed humps where necessary, cleaning of storm water drains and fixing of kerbings.

A budget of approximately R90 million is allocated towards maintenance of electricity infrastructure, including power plants, network and street lights.

For water services, R51 million is appropriated towards operations and maintenance of the infrastructure for the next three years as well. A budget of R448 million is appropriated for maintenance for the next three years.

These budgets exclude allocations as per the capital budget, am still to present.

To curb wasteful expenditure, National Treasury has issued guidelines for cost containment practices at municipalities, and this is taken seriously. For example, we have installed tracking devices in our fleet to monitor purposeful driving, and we will hold drivers to account where it is necessary. We are a serving municipality, and we should spend our time doing just that.

Honourable Councillors, the Constitution of the Republic of South Africa makes it a right of every person to have access to decent housing and security of land tenure, and of course within the available financial resources of government to ensure this right is received. As a municipality, we are focusing heavily on eradication of informal settlements. In fact, this is highly prioritised in the IDP.

We have done an analysis of the current status in this regard, and a detailed action plan will be tabled to the Human Settlements Committee.

However, there are various informal settlements within the municipality as well as land parcels which can potentially yield over 10 000 ervens, with the largest yields estimated at Rietvale, 1 560, Lerato Park 3 500 and across R31 Road, about 2 700 ervens. In the operational budget, provision has been made to conduct geo-tech studies, at these areas.

Where the results are positive, planning and surveying of the land will be conducted. We anticipate to yield at least 2 000 ervens per annum, at no less than 5 townships to be established.

The ideal situation is to transfer land ownership to the beneficiaries, once the plan is registered by Surveyor General and the beneficiaries had been identified. Racial integration is very important in this regard; however, we are mindful of the fact that people want to stay close to their families. We

urge the support of ward councillors and the Chairperson of Human Settlements to coordinate the processes.

The operational expenditure of the municipality is mostly fixed with little room for discretion. We need people and their knowledge and skills, as well as equipment including fleet to provide service, we need to maintain the infrastructure for service delivery to guarantee access, certainty and quality of service. A lack in one of the three areas may lead to undesired repercussions that may be costly.

Honourable Speaker and Councillors, a capital plan of R1, 168 billion is projected for the next five years, and this figure includes a R50 million loan already approved by council in the previous year's budget. The assumptions for the last two years of the IDP cycle are based on historical trends grant allocation as well as the capability of the municipality to contribute towards capital budget funding, based on the annual surpluses projected in the operational revenue and expenditure budgets.

Honourable Councillors, there is a need to develop land for middle income earners, the so called Gap Market. We have identified sites within the existing neighbourhoods such as the Phomolong 167, the Moghul Park 14, Southridge 24, Lerato Park over 400 sites and various in-fills. At an estimated cost of R33 000.00 per site. An amount of R18 million from CRR is committed to conduct feasibility studies, surveying and township establishment activities over the five (5) year period.

This process will then be followed by designs for civil services and installation. The intention is to make available these ervens to qualifying applicants through the Financial Linked Individual Subsidy Programme. There are likely to be private investors who are ready to assist in realising this objective, however within the parameters of legislation.

Having said that, by agreement with our provincial Department of COGHSTA, over the next two years, 1 067 (one thousand and sixty-seven) housing subsidies will be approved for beneficiaries across the city, for example Diamond Park, Promised Land and others.

Furthermore, services will be installed in Jacksonville (156) and in Snakepark (1 250) sites will be serviced during the medium term expenditure framework.

We are busy compiling new proposals to COGHSTA for the installation of services at Colville, Waterloo, Santa Centre, Kutlwanong and Ivory Park with a total yield of 1 645. These sites are already approved for township establishment by the Surveyor General. For 2017/18, the installation of Link Services for Water and Sanitation shall proceed as the Consultant to complete the designs has been appointed already. An amount of R10 million is allocated for upgrade of access Roads and Storm Water in Roodepan and Galeshewe from MIG, and approximately R7,9 million is allocated to Homevale Fire Station, and R20 million for resealing of roads.

Still on the roads, Honourable Speaker, from internally generated funds, an amount of R113 million has been allocated for roads resealing projects. This is over and above the budget allocated towards maintenance. Roads are crucial for attraction of investment to the city, in the same way as availability of services. We anticipate to achieve about 90km of roads resealed in the next three years.

As part of roads upgrade, Tlhageng Dam has been prioritised to prevent flooding we saw in 2009 and 2011, the dam burst disaster. There is an informal settlement that has encroached around the dam. We will approach them and agree on the next step. A budget of R20 million has been allocated in this regard.

An amount of R25 million has been gazetted under the Water Services Infrastructure Grant for the upgrade of Gogga Sewer Pump Station and the related network. The upgrade of Gogga Pump will resolve issues raised by community members at the Recreation Club on sewer blockages in No2 associated with demand exceeding capacity of network in Galeshewe.

I am saying, over and above this upgrade, as a society, as people, let us respect our infrastructure, it belongs to us. Shoving a mattress into the sewer network blocks the network, flushing sanitary towels and pampers does the same. The only two things that by design, the sewer network is capable of carrying is..... well, we all know. Let's take care of the system, for it to take care of us. Let's avoid creating appalling, unpleasant neighbourhoods.

To ensure a capable municipality, fleet is very important, R22 million over the next five years is being appropriated. Focus shall be placed on refuse collection services, roads maintenance fleet, city cleaning fleet, service fleet and fleet used for administrative purposes. A detailed fleet replacement plan will be developed for us to agree upfront on the priorities to enable the MMC Responsible for Roads and Transport to exercise oversight in this regard.

We can plan all we want, securing revenue is as important. All this is possible only if residents pay their bills. Councillors, let us not be shy to regularly encourage our constituencies to pay their accounts. This is a cycle, you consume services, you will receive a bill, you pay your bill, the municipality pays its bills, you enable us to provide and re-invest.

We are mindful of challenges and complaints of the accountholders, bills not delivered timeously, incorrect bills; we will work hard and get this right.

We have partnered with a specialist service provider to recover old outstanding debt. This is done to reduce the total outstanding debtors from R1,8 billion, and convert these into cash reserves.

We will continue replacing water and electricity meters to improve on accuracy of billing.

The Department of Sports, Arts and Culture had carried out their mandate of libraries upgrade. We are indeed grateful of the allocations gazetted for the next three years, and we will comply with the conditions of the grant. There is a young man, who made an input of considering to develop a Library in the vicinity of No2. We will engage the department in this regard.

The community of Sol Plaatje, particularly in Ritchie, is very excited by the Library in Ritchie. We hope and believe that it will enhance the interest of our children to read, and thus improve their knowledge base.

Still in Ritchie, we are continuing with bulk augmentation project in Ritchie to enable the installation of flush toilets in that area.

The Department of Energy had allocated R31 million in 2017/18 financial year towards the upgrade of Galeshewe Substation, as well as the electrification of Ivory Park, I repeat, Ivory Park. We will be submitting applications to the Department for the electrification of the following areas:

- Completion of Ivory Park
- Colville
- Jacksonville
- Ramorwa Witdam
- Santa Centre
- Kutlwanong
- Phomolong and
- Soul City

As I conclude Honourable Speaker and Councillors, I would like to assure you that in all these plans, we are keeping our promise of improving the lives of the people. The Indigent households are fully subsidised for refuse removal and sanitation. They do not pay service charges at all, they are protected from any increase whatsoever. These increases shall apply to non-indigent households. They will continue receiving free 200 litres of water per day, or 6 000 litres per month for free, and 50 units of electricity per month.

We have heard about the plight of Ritchie Community regarding the tariffs for the sale of graves. We are investigating the opportunity to enhance the Indigent Policy to cover the situation. Our aim is to provide financial relief and reduce the tariff by a substantial percentage. This process will conclude as we finalise the budget, and the new tariff shall become applicable with effect from the 1st of July.

A full list of tariffs is contained in the budget book.

Honourable Councillors, the budget is effected through policy implementation. The following are the new policies for implementation together with this budget:

- Contracts Management Policy
- Water Restrictions Policy
- Bulk Infrastructure Contribution Policy
- Small Scale Embedded Generation and Photo-Voltaic Installations Policy

All other Budget related policies had been reviewed and amended in line with the legislative framework and other factors that influenced the reviews.

We, as the Councillors of Sol Plaatje Local Municipality had noted, in the period we have assumed office, the dedication of officials in transforming the institution and their hard work which has enabled the growth of the Local economy.

On behalf of the Council and the residents of the municipality, we thank all of you for your dedication and putting your municipality on the map. You have been working hard since 1996 to improve the living conditions of the people, to undo the legacy of exclusion and neglect. Many community members and households were without electricity, water, roads and houses.

I therefore call upon all of us to take extra-ordinary efforts to bring relief to our people.

We assure you that as the council we shall not rest together with our partners until all households in our country live in dignity and obtain basic services. As council, we will continue creating a conducive atmosphere for the growth of our local economy and also explore the opportunities created by the Sol Plaatje University. All our plans and intention for the next five years will materialise, we as a united, we will move the people of Sol Plaatje Municipality forward.

Indeed, life continues, we are continuing with the local government development plan of ensuring, clean, safe city committed to service delivery, and improving the lives of the people. As we move “***Towards a leading and modern city***”

As I close the tabling of the IDP, the Budget and the related supporting documents as per the annexures, the African National Congress has dedicated 2017 in memory of its former President, Oliver Reginald Tambo, who served his people selflessly and without expecting much in return. He gave his life to the struggle for the emancipation of the people of this country and led with a great sense of humility and vision. These values must espouse what we envisage to achieve as the new administration.

The electorate has mandated us to improve the quality of services we provide to our communities by being accountable and working closely with our communities.

I therefore table the IDP 2017 to 2022 as per item two (2), the Annual Budget for 2017/18 to 2019/20 MTREF, the proposed tariff increases, the Budget Policies and the Service Delivery and Budget Implementation Plan, as per Item 3 of the agenda, as well as the Item 4, Tabling of Conditional Grants Funded Projects as per the Draft IDP.

Sol Plaatje, we serve.

Thank you.