



CITY OF JOHANNESBURG

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Speech extract by Executive Mayor of Johannesburg Cllr Herman Mashaba

Johannesburg AGM - Setting the City's Top 9 Priorities

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Note to editors: Please see below an extract of the speech delivered by Johannesburg's Executive Mayor, Councillor Herman Mashaba, during today's 2015/16 Annual General Meeting for the City's Entities.

Cllr Vasco da Gama, Speaker of Council,

Cllr Kevin Wax, Chief Whip of Council,

Members of the Mayoral Committee,

Leaders of Political Parties in Johannesburg,

Directors of City entities,

Community leaders,

Stakeholder organisations

Members of the Media,

Good day to you all.

Our residents' demand for change, as witnessed in the previous elections, requires a clear break from the previous way of doing things.

We must shift our thinking from a place of conducting business as usual. It is now time for business unusual. This is why this new administration's approach will focus on re-examining how the City goes about providing public services so as to find ways to overhaul service delivery through the appropriate prioritisation of the City's needs, increasing internal efficiencies, promoting innovation and ensuring responsive governance.

While doing all this, we must remain cognisant of the City's enormous challenges; some of which do not exist out there in communities but here in the City. Fortunately, today I speak directly to some of the City's top-decision makers. I can therefore speak candidly about some of these challenges.

I do this because I value the exercise of introspection and believe it to be a necessary ingredient for achieving our collective vision for the City. Since taking office, I have witnessed a deep sense of institutionalised denialism.

I have sat in meetings where the official performance reports came with claims of successes few residents would agree with. These reports read: “the City has become a safer place for our residents” or “Johannesburg is a success story in poverty reduction over the past 10 years.”

I don't know which Johannesburg they are referring to. I need every politician, every official, every City Entity and every Board Member in the City of Johannesburg to recognize that there are many problems that are experienced by our residents every day.

This kind of denialism delegitimizes the anger of our residents who demanded change on 3 August last year. We cannot work on our problems if we walk around denying their existence. In the City of Johannesburg, we have two choices:

The first choice is to deny the deafening calls for change. This comes with a risk, because, across the world, communities have grown intolerant of deaf governments. The other choice is to embrace the change residents have called for. We need to embrace the change, understand it and, most of all, own it.

Ladies and gentlemen, to become the competent, effective and responsive government the residents of Joburg demand means we too must demand more of ourselves. By doing this, we will ensure that we are not a hindrance to our own objectives for the City.

The City has 862 000 unemployed people, with an unemployment rate of over 30 %. Over and above this, we have a housing backlog of over 300 000, and an average delivery of only 3500 housing units per year. At the present rate, it would take a century to address the current backlog.

Corruption is another threat to the City's success. Current levels of corruption speaks to a greater decay of the rule of law within our society. For too many of our residents, lawlessness has become the order of the day in many parts of our City.

The Joburg Inner City is another tragedy. The potential of our Inner City has been held back by allowing years of lawlessness, crime, grime and abandoned buildings being unattended. It is estimated that over 100 000 people are illegally occupying buildings in our Inner City, most of whom are living in the most appalling conditions.

To meet these challenges, we must thus carve out a new plan for the City of Johannesburg. This must be a plan that aims to prioritise our residents' most pressing needs. This must be a plan which gives City's forgotten people a voice that resonates throughout the whole of this government.

Much of this will need to be fully expressed in the City's upcoming 2017/18 budget in May. The 2017/18 budget will be this administration's first complete opportunity to implement programmes for delivering the complete package of change demanded by our residents.

During the 2016 Mayoral *lekgotla*, the City's Executive and Legislative leadership had an opportunity to engage and reflect on the current political and economic environment. This *lekgotla* sought to distill this administration's 10 Point Plan into a set of objectives informing our approach over the next four years.

Top Nine City Priorities

From this *lekgotla* we have identified **nine priority areas for improving our residents' experience of the City, for growing jobs and for achieving greater service delivery.**

The first of these priority areas is an overall goal which applies to all: improve service delivery and performance throughout all our departments and entities. We need to become consumer centric by resolving the City's long standing billing crisis and fast tracking service delivery, especially to poor communities.

The second of these priorities is promoting economic development and investment so as to achieve a minimum of 5% growth by 2021.

I believe that one of the key levers for achieving this economic growth lies in the revitalisation of our Inner City and incentivizing business, particularly small to medium enterprises, back into the Inner City. I believe that the revitalisation of the Inner City is dependent on creating an enabling environment for small businesses and young entrepreneurs to flourish and create permanent jobs within the area.

Ultimately, this will benefit the poorest amongst the City. That is why small business development is to feature heavily in the City's plans during my term of office.

Revitalising the inner City is deeply connected to our ability to combat and eliminate crime from all our communities. ***This is our third area of prioritization.***

Already, through the recent budget adjustment process, we have begun implementing a new crime prevention plan which will see increased by-law enforcement and visible policing in our Inner City and informal settlements. An investment of R31 million to JMPD has been made for the recruitment of a further 1500 JMPD Officers to police our streets.

Given our new pro-poor orientation, fast-tracking housing delivery has to be another area of priority.

This intervention must also simultaneously address income and spatial inequalities whilst also promoting an efficient and effective public transport system.

The City has prioritised the provision of services to informal settlements through an allocation of 41 million Rand for the electrification of various informal settlements. Also, through the adjustment budget, we have made an allocation of R2 million for the construction of homeless shelters in various areas so that we can challenge homelessness head-on.

Staying with issue of housing, we will also be completing 1841 housing units in this financial year. This will go a long way in tackling the City's extensive housing backlog. The City will also be making use of 546 million Rand for the purpose of electrifying these housing units. We are also analysing City-owned buildings with the intention of converting them into affordable, low cost housing for our residents in the inner City.

These buildings will also be converted into affordable commercial spaces for the benefit of small businesses and entrepreneurs. It goes without saying, that advancements in housing must also be accompanied by interventions to ensure access to adequate transport and transport infrastructure.

Through JRA, for the first time, the 'No Join' Policy, in respect of traffic lights, is to be instituted within the City. Up until now, we addressed issues of downed traffic lights by simply joining cables in the event of an electrical fault. Each 'join' in the cabling of a traffic light is an electrical weakness in the circuit that makes it vulnerable to rain, electrical surges and lightning.

We have allocated 6 million Rand to replace cabling in key traffic intersections to initiate the 'No Join' Policy which will be expanded upon in the 2017/18 Financial Year. We have also allocated a total of 88 million Rand for Johannesburg Road Agency to declare war on the City's potholes.

As a part of addressing challenges experienced by residents using public transport, we have allocated a further 51 million Rand for the purchase of additional busses for Metro Bus, with a further 5 million Rand for the refurbishment of our current fleet.

In addition to this, we have allocated 14.3 million Rand for the Intermodal Transport Facility in the Inner City. This is designed to improve the efficiency of public transport and the experience of commuters using bus, rail and taxis on a daily basis.

Finally, we have initiated a program of tarring roads in impoverished areas which have had to live 23 years into democracy without gravel roads. These upgrades will take place in Doornkop, Lawley, Mayibuye, Tshepisong, Protea South and Ivory Park.

Our fifth priority area is to ensure we become a responsive government capable of addressing residents' needs.

To this end, I have announced a ‘Service with Pride’ campaign in the hopes of ensuring that City employees embrace the idea that civil service is a calling. This campaign goes hand in hand with the City’s skills audit.

This audit is imperative because we cannot have a City that performs for its residents if the wrong people are in the wrong position for the wrong reasons. To this end, the recent adjustment budget has allocated R5 million for the completion of the City’s Skills Audit.

The sixth priority area for the City is eliminating corruption and strengthening clean governance within the City. I have allocated R38 million for the capacitation of the Anti-Corruption Unit led by General Shadrack Sibiya.

To date, through this Unit, over 62 million Rand in corruption has been uncovered within the City. I will not rest until corruption becomes a thing of the past. With respect to governance, I am sure that many of you here today are deeply interested in the City’s anticipated reintegration of entities.

Once again, I will speak candidly. There is no question that service delivery has been too slow in our City.

Alongside the City’s service delivery challenges, the governance structure of entities is cumbersome and inefficient. The City of Joburg has a complicated structure of Municipal Owned Entities with an even more complicated relationship with the core of the City. The absurdity of this situation is that the City is the sole shareholder of these Entities but they operate under the Company’s Act and are semi-autonomous of the City.

Under the present conditions, coordinating entities towards the achievement of the City's single strategic vision is unmanageable. The current arrangement thus presents substantial challenges we must address in order to fast-track service delivery.

Indeed, this decision to reintegrate Entities is proven best practice. The trend country-wide amongst metro municipalities has been to bring these entities within the City structures.

This said, we cannot afford to shock the system by being hasty, rash or ill-considered, because the residents of our City will suffer. We must thus take great care in being sensitive to the needs and concerns of all stakeholders. This is why the process for how to best to carry out the proposed reintegration is expected to take up to 18 months.

As we embark on this process, I will look to the leadership of these entities and, all of you here today, to make sure we achieve a seamless transition process. **This leads me to our seventh priority area.** Enhancing financial sustainability.

In the past, there has been a disappointing lack of attention to financial management practices which have also been accompanied by a failure to adequately investigate cases of unauthorised, irregular and fruitless and wasteful expenditure.

This left the City's Council unable to assess whether or not the identified expenditure could effectively be recovered. This also means that individuals implicated are yet to face investigation and possible criminal charges.

In his most recent report, the Auditor General found that the total balance for fruitless and wasteful expenditure reached over 26, 2 million Rand with 7, 4 million Rand being incurred in the 2015/16 reporting period. 79.72% of the total balance of fruitless and wasteful expenditure disclosed in the annual financial statement was yet to be investigated.

Similarly, the total balance for unauthorised expenditure reached 3. 4 billion Rand with over 692 million Rand being incurred in 2015/16. Further to this, the total balance of irregular expenditure reached over 1.7 billion Rand up from over 1.5 billion Rand due to the contravention of supply chain management procedures in the City as a whole.

69% of this irregular expenditure was only identified during the audit process and not detected by the City's monitoring processes. This points to flaws in the City's monitoring processes. Obviously, we cannot continue in this vain.

The City's eighth priority relates to improving the City's ability to preserve our resources for future generations based on amongst others:

- Interventions to mitigate against the water shortages; and
- Interventions to mitigate against the electricity constraints.

This means we must take serious steps in driving up capital expenditure investment in infrastructure, particularly through the upcoming annual budget.

Finally, the ninth priority for this administration is rooted in making the City of Johannesburg a smart City capable of supporting innovation and meeting the demands of our new digital age.

Just earlier this week, I attended the opening of the Global Entrepreneurs Congress, held for the first time in Africa. The 2017 edition of this congress was indeed themed “Digital Disruption.” The message was clear: Africa must digitise, create connections amongst nation states and build economies of scale.

Here in the City of Johannesburg, we are working hard to be part of the digital era so as to take advantage of the opportunities of an increasingly digitized and connected world. Already Joburg will be enhancing its already existing access to ICT, including free Wi-Fi, throughout the City so as to enable communities and business to embrace the new digital era.

We are also leveraging partnerships with academic institutions such as Wits University to unearth innovative ICT solutions to our City’s challenges. This includes investment into the Johannesburg’s inner city through the establishment of an ICT Hub.

Ladies and Gentlemen, as I have said before, every day, when I get up in the morning, I am confronted by two strong emotions.

The first is the daunting sense of responsibility of the important task that lies ahead of us. Getting Johannesburg working is a project of national importance because, as I have always said, *When Johannesburg Works, South Africa Will Work.*

The second emotion, is however, the greater of the two. It is the massive sense of pride that fills me every morning.

It is without doubt the greatest honour of my life to have the opportunity to serve our City and its residents. To wake up and have the privilege of serving the people of this great City is a responsibility I do not take lightly.

And I intend to use every day that I am tasked with this important responsibility to make this City and its people realise their true potential.

I hope you will all join me in this mission.

I Thank You.

Cllr Herman Mashaba

Executive Mayor

City of Joburg

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