The City of Ekurhuleni plans to spend almost R50 billion over the next three years to stimulate its economy and drive growth while improving service delivery to its residents and business.

Plans include refurbishment of substations to “keep lights on all the time”, as well as water and sanitation facilities upgrade, investment in roads to enhance Ekurhuleni’s status as a logistics hub as well as the delivery of housing, arguably the city’s and the province’s most pressing need due to inward migration.

The plans are contained in the City’s 2019/2020 budget, which was unveiled on Thursday by the Member of the Mayoral Committee for finance, ICT and Economic Development, Nkosinindiphile Xhakaza, who called on council colleagues to implement the budget in an ethical and accountable manner that puts the needs of the citizen first.

The budget took its cue from the Executive Mayor Mzwandile Masina’s State of the City Address, delivered two months ago under the theme “building the economy that grows in the hand of the people” and also drew inspiration from President Cyril Ramaphosa’s clarion call since assuming office just over a year ago, Thuma Mina (send me).

Xhakaza noted that the budget is underpinned by a good credit rating and outlook for the City of Aaa.za by Moody’s.

The city has maintained a good collection rate of revenue which currently stands at 94% of annual billings.

Xhakaza notes that this is in spite of the pressures on household income as a result of slow economic growth.

There is also muted growth in municipal tax base, with growth projections for the city’s main services standing at 1% for assessment rates and solid waste, and zero for all other services.

“This is an indication that the growth of the local economy remains constrained,” said Xhakaza.

The overall budget for 2019/2020 stands at R48.9 billion, with the operating expenditure standing at R44.5 billion, an increase of R3 billion on the current financial year.

The capital budget will grow by just under a billion, from R6.5 billion to R7.4 billion.

More than 80% of the budget, about R40 billion, is funded from internally generated revenue.

Xhakaza reiterated the city’s areas of priority almost since assuming office in 2016 to re industrialise the city and revive manufacturing, regenerate the city’s urban centre including Boksburg, Germiston, Kempton Park and Alberton among others, improve the mobility of its citizens through public transport and restore clean governance.

Ekurhuleni has set aside R 847 million for economic development, with R296 million for the 2019/20 financial year.

This allocation is for a range of key projects including the Airport Precinct and OR Tambo Springs Inland Port to strengthen logistical capabilities, the Ekurhuleni Business Centre and a number Strategic Urban Developments and mixed use developments dotted around the city.

The metro has put together a R 4 billion social package aimed at its poor residents.

The package comprises 100% rebate on assessment rates and free refuse removal. Free 100kWh of electricity per month is also provided.

The city aims to intensify support for entrepreneurship and recently ran a competition that drew 238 entrepreneurial entries with winners sharing R 100 million to support 1800 youth and black oriented business opportunities ranging from youth brigades to black owned panel beaters to Youth Employment services placements and Technical installers.

The city has additionally provided 59 000 serviced stands for residents to build houses for themselves and continues to fund its programme of electrifying its 119 informal settlements and improve sanitation by reducing the ratio of water and sewer connections.

The city also has programmes to boost entrepreneurship and recently ran a competition that drew 238 entrepreneur entries with winners sharing R 680 000.

The Ekurhuleni Community Enterprise Development Fund has been established at a cost of R 100 million to support 1800 youth and black owned business opportunities ranging from youth brigades to black owned panel beaters to Youth Employment services placements and Technical installers.

Doctor Nkosinindiphile Xhakaza, City of Ekurhuleni MMC for Finance, delivered a pro-poor, pro-growth budget 2019/2020

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**Building a local economy that grows in the hands of the people**

In a bid to combat power shortage and satisfy power demands in line with industry and residential needs, the city has set aside R 2.29 billion for electrification of informal settlements and R 3 billion for the refurbishment of substation and maintenance of electricity infrastructure.

R 3 billion has been allocated for the maintenance of water infrastructure while another R 2 billion goes to road and storm water network.

An area of delivery that Xhakaza highlights is that of housing.

In this budget, the City has allocated R 4.6 billion to human settlements over the next three years and R 1.6 billion in the coming financial year.

When the current administration took office, the City set itself a target of delivering 100 000 housing units through its Megacity projects in collaboration with the Gauteng government.

The city currently has about ten Mega Housing projects at various stages of development including at Leeuwpoort, Chief Albert Luthuli Mega projects, which contain 10 000 units as well as developments in Issellen Park and Clayville.

Completed projects include Daggafoen-tuin at the outskirts of Springs.

Xhakaza says the city’s role is to acquire land and provide it with bulk infrastructure and services for the province to fund the bulk of construction.

He says for its part, the city has made available land and services for 64 000, although 26 000 have been built.

The budget has also provided an additional R 50 billion set aside to boost Ekurhuleni economy.

For the next three years to stimulate the city’s economy and drive growth while improving service delivery to its residents and business, the City of Ekurhuleni plans to spend almost R50 billion over

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Doctor Nkosinindiphile Xhakaza, City of Ekurhuleni MMC for Finance, delivered a pro-poor, pro-growth budget 2019/2020
Ekurhuleni’s city centres, townships to get facelift

Decaying urban centres are a sore sight in the City of Ekurhuleni. As a result, many businesses have deserted the central business district to look for greener pastures elsewhere. However, the situation will soon change for the better as the City of Ekurhuleni has now embarked on a comprehensive plan aimed at refurbishing many buildings in Germiston, Boksburg, Kempton Park and the Alberton Boulevard.

The City’s MMC for Finance and Economic Development Nkosinindiphile Xhakaza made this commitment when he delivered his budget speech on Thursday at the Germiston Civic Centre, Ekurhuleni. “Our work to improve and give a facelift to our decaying urban centres is critical. We remain focused on turning our old CBDs, such as Germiston, Boksburg, Kempton Park and the Alberton Boulevard, into modern urban centres with a vibrant corporate look that can attract and boost investor confidence,” said Xhakaza.

He added: “These CBDs will be turned into modern centres with a vibrant look set to attract much needed investment boost.”

Xhakaza said there was no doubt that the City of Ekurhuleni needed to re-urbanise the city region. “We must agree to promote integrated human settlements through massive infrastructure services rollout. This includes the continuation of investment in water and energy infrastructure to ensure security of supply,” said Xhakaza.

“Our roads must also be of good quality for ease of mobility for people, goods and services. In our efforts to ensure the proper habitation for our people regardless of where they are, we are allocating R4.6 billion in the 2019/20 financial year to the Department of Human Settlements.”

Two key projects have also been identified. These are the Kempton Park CBD, which is due to receive R31 million. The Germiston CBD will receive R188 million in the financial year. Not only will city centres be given a much needed boost, money has also been set aside for the regeneration of townships in the Ekurhuleni city region. Tembisa will be allocated R75 million, Watville/Actionville will be given R110 million for the 2019/2020 financial year.

We want to ensure a better life for all citizens’, says Mayor Masina

City of Ekurhuleni Executive Mayor Cllr Mzwandile Masina says sustainable economic development can only be achieved when the economy is in the hands of the people.

Masina said the City of Ekurhuleni is faced with monumental developmental challenges. The rate of unemployment is extremely high. This was exacerbated by low skills base and education which was set against a background of weak entrepreneurial culture and linkages to other metros.

During the state of city address, Masina said his administration had identified one of the core challenges of the City was that the majority of poor settlements were far away from places of economic opportunity due to no access to public transport.

To address these challenges and transform public transport the City came up with plans to develop the all-inclusive Integrated Public Transport Network System (IPTN) where trains, buses and minibus taxis would be integrated in operations. The IPTN will assist connecting the people of Ekurhuleni and make public transport more convenient and affordable.

Underpinning all this was the Big Ideas for Development which the City hoped its intervention would boost its local economy. These short term reforms would prioritise areas such as job creation, increases private investment in the local economy, transport infrastructure, improved urban settlement planning and inclusivity.

Masina said the City of Ekurhuleni had to ensure a better life for all its citizens. This is why the 2019/20 budget had sought to prioritize job creation, boosting economic growth and promoting local investment and the provision of social infrastructure to achieve a better life for all.
Ekurhuleni’s pro-poor, pro-growth budget

The City of Ekurhuleni has delivered a pro-poor budget with a sharp focus on stimulating the economy, so says Dr Imogen Mashazi, the metro’s city manager.

Mashazi, whose office played a critical role in the formulation of the budget delivered on Thursday at the council chambers, says the city’s budget was tailored to deal with challenges of inequality, poverty and unemployment.

“Our people are unemployed. They are looking for jobs. They are also looking at infrastructure projects. The budget was well allocated to deal with all our challenges,” said Mashazi.

The city has, for instance, committed to constructing low-income houses for communities in the metro. The city has also set itself an impressive target of 100 000 houses over the next five years, according to Mashazi.

Mashazi said thus far, the city was on course to reaching its targets.

“For those who can build houses, the city was developing service stands for them. The R1.6 billion for the 2019/20 financial year allocated to the Department of Human Settlements will assist immensely in this regard,” she said.

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“Creating houses is theaa biggest challenge within the City was reliable water supply,” she said. “We are dealing with spatial issues. Before 1994 we had reservoirs which were not connected to other areas. For instance we had a drought about two years ago. A full reservoir in Alberton couldn’t supply water to Benoni so we are actually dealing with that through the Aqua Leap Water project.

“There is a huge budget allocated for dealing with that through the Aqua Leap Water project.”

Mashazi said each and every department in the metro had its own targets, which are monitored on a quarterly basis by her office.

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Mashazi said thus far, the city was on course to reaching its targets.

“The City council through the internal audit division is ready to be implemented. We are trying to do is dealing with irregular expenditure. In other words, we no longer allocate budget to projects that aren’t ready for implementation because in the past this has created a lot of irregular expenditure which leads us to not achieving a clean audit,” said Mashazi.

“Those reports are presented to the City council through the internal audit division. The City of Ekurhuleni is indeed on course to implement the budget in compliance with legislation,” she said.

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Private sector to be lured to Ekurhuleni with incentives

The City of Ekurhuleni aims to attract and maintain private sector investment through the use of incentives and shortening the length of time required to acquire permits and set up operations in the region. Nkosindiphile Xhakaza, the MMC for Finance, ICT and Economic Development, says the city recognizes its status of contributing 26% to the Gauteng economy and 9% to South Africa’s GDP needs to be maintained and grown through private sector participation.

He presented the city’s budget at the Council Chambers in Germiston on Thursday.

“One of the key interventions to be concluded in the 2019/2020 municipal fiscal year is the Special Rating Areas (SRAs) policy,” Xhakaza announced in his speech.

“Through this policy, the City will be offering a package of rates and taxes discount towards investment; targeting defined economic sectors and industries,” he said.

An example of the policy would be a property developer receiving tax rebates on refurbishments to a building, which aids urban regeneration. He expects the policy to be finalised by Council during the second half of this year.

Xhakaza says the city aims to streamline the process of applying for permits, especially when suitable is secured, for manufacturing, as competition in this area is not just with Gauteng or other provinces in South Africa but actually global.

Xhakaza says by contributing their rates and taxes, the private sector can collaborate with government to help the City finance the unfunded mandate of its Integrated Development Plan.

An area of collaboration that Xhakaza cites is using company Corporate Social Investment (CSI) budgets to help the municipality fund suitably located and equipped clinics.

Xhakaza notes that the city must play its part by maintaining roads, water and electricity infrastructure a task to which the metro allocated about R7.4 billion of capital expenditure in this budget.

Budget Speech: The streets of Ekurhuleni have their say

City of Ekurhuleni’s MMC for Finance and Economic Development presented his 2019/20 budget speech to mixed reactions from residents of the city region.

Vuyisa Zitha, 29, a young social activist and entrepreneur from Thokozana, Ekurhuleni, is a member of a Non-Profit Organisation called Help a Learner Become a Student, which he runs with his brother.

It was established in June 2017.

“The numbers of the budget were quite good. As the youth of Ekurhuleni, it is how are the objectives of this budget going to be achieved. Last year there was a budget and we were told there was money dedicated to the youth but when we visit youth centres here in the City we are told the money has not trickled down to them. It therefore means we can’t access these funds from the Youth Desk”, said Zitha.

Zitha appealed to the executive mayor Mzwandile Masina and his team to attend to youth issues as a matter of urgency.

Nosipho Mdluli, 27, a resident of Vosloorus said Xhakaza’s 2019 budget was not strong on youth issues, as far as she was concerned.

“Y es, they budget has all these great programmes but we aren’t clear on how the City will go about achieving them. As a young person from Ekurhuleni I want the City to focus on the youth. We need skills that will equip us for the future as young people,” said Masango, 32, a budding entrepreneur from Katlehong, said Xhakaza must empower small businesses in the metro and support SMMEs.

“I was generally impressed with the budget especially expenditure that would be put towards businesses especially the Vulavula Contractor Development Programme and Mintiroya-vulavula Community Empowerment Programme.

“As a business woman I’m excited about the financial aid that will be given to businesses. My message to MMC Xhakaza is that they should build business hubs in the townships because that’s where we are operating from. We don’t want to go to suburbs anymore. Support must be given to SMMEs there”, said Masango.

Here is what people are saying about the Budget speech delivered by MMC for Finance Nkosindiphile Xhakaza