

**2019 STATE OF THE CITY ADDRESS BY EXECUTIVE MAYOR CLL THEMBI
NKADIMENG AT JACK BOTES HALL ON 11 JULY 2019**

The Executive Mayor of Capricorn District Cllr John Mpe

Executive Mayors and Mayors present

Honourable Speaker of Council, Cllr M.J. Ralefatane.

Chief Whip of Council, Cllr M.K Teffo.

Honourable Members of the Mayoral Committee.

All Chairpersons of Council Committees.

Fellow Councillors.

All traditional leaders

Representatives from the religious fraternity

Distinguished guests from the corporate and business sector.

Government Departments representatives.

Civil Society Organisations.

Municipal Manager: Mr D.H Makobe and Officials of Council.

Members of the media.

Distinguished guests, good morning.

Yesterday, 10th July 1956, Solomon Kalushi Mahlangu would have turned 63years. The late ANC Oliver Reginald Tambo once said “In his brief BUT full of life Solomon Mahalngu toward like a colossus, unbroken and unbreakable over the fascist lair” 40 years on we still remember that his struggle was about deep seated love, his will of his blood nourishing the tree of freedom continue to bear fruits. Even today we still declare Solomon Mahlangu ... we are you and you are us

Honourable Speaker, I am honoured to stand here to present the 2019 State of the City Address for Polokwane Municipality. We gather here this morning, still fresh from the national elections where the majority of South Africans refreshed the ANC's mandate to continue on the path of providing the essential services and the development of the communities we serve. Please allow me to thank the people of Polokwane and the rest of South Africans who went out on the 8th of May to ensure that democracy thrives by exercising their constitutional right to vote and that as a country we continue to enjoy peaceful elections.

Notwithstanding our challenges, we have made significant inroads towards development, delivering the basic services that are so needed by our communities.

I am delivering this State of the City Address at the point where we are in the middle of the current term of Council that commenced in August 2016. It is equally important to note that this term of this Council, started with the amalgamation of some parts of the former Aganang Local Municipality that was followed by robust and collaborative efforts to ensure smooth transition during that period. That in itself brought with it a new set of challenges because it then meant that the municipal area to be serviced was now bigger

and the resources remained unchanged. However, we have put in a lot of effort to ensure that resources are made available to develop and improve services in that cluster. This we shall demonstrate as we continue with this presentation.

Our planning is guided by the fact that we wanted Polokwane to move from the league of an ordinary municipality and start moving closer to the league of bigger cities. We conducted a baseline study which was our foundation for the future of Polokwane.

In doing this, we engaged with various stakeholders including National Treasury and COGTA. As you are aware the Deputy Minister, Andries Nel then, came to address Council about the city being approved as a pilot under Integrated Urban Development Grant which is a grant that is normally only given to Metros or cities that are showcasing potential to become a Metro.

This means we are no longer getting Municipal Infrastructure Grant and are now receiving the Integrated Urban Development Grant. It doesn't have conditions attached to it because the national department recognises that as a growing city with aspirations, we have unique challenges that we have to deal with in order to move forward and be able to solve some of the urban challenges that are not common in other local municipalities.

Under this fund we have received around R40 million more than what we supposed to receive if we were still under MIG. What will happen is that in the next trench which is an allocation for 2020/2021 our focus will shift in terms of addressing the city challenges to tackle what are the stumbling blocks towards attaining a higher grade and becoming a metropolitan area.

This morning Honourable Speaker we are premised on the future path of Polokwane - where do we want to grow as a city. We will also reflect on our achievements and also the plans for the 2019/20 financial year.

We also acknowledge that some of the decisions will prove to be difficult and some of them will not please everyone as for the next few years the municipality will become a construction site. We will live true to our slogan "ReAga Polokwane

What is the future of Polokwane

There are fundamental questions we must ask ourselves. What is the future of Polokwane? With kind cooperation and collaboration from all stakeholders? And what are the stumbling blocks?

Without a shadow of a doubt -The future of Polokwane promises to be a bustling centre of economic opportunities. To get to this, we need to deal with the challenges or stumbling blocks that are hindering our growth prospects.

The first challenge that the city is facing towards this future is the hindrance to the growth of the city as a result of the water challenge, second is the waste water treatment challenges and third is the mushrooming of unplanned and uncontrolled settlements and fourth is the state of our roads.

Water & Waste water treatment

What has been the biggest nightmare in the city that hindered growth? The answer is water. The growth of the city and its development is reliant on sustainable water supply and waste water treatment.

We have reported that the sewer plant is operating beyond its intended capacity and resulting in a smell that the communities and businesses in the vicinity had to endure for a long time. Without resolving these two issues in the medium term, there is no single developer who would come to develop a single industrial area or major business regional offices in Polokwane that will ignite economic activity and job creation.

I stand here to give the people of Polokwane confidence that we have over the period made significant progress to alleviate water challenges in the municipal area and we have developed and have begun to implement strategic projects on resolving the water and sewer challenges that we will unpack in this address.

Achievements and future projects

Water

We now have an approved Water Master Plan which will be looking into bulk water provision and Ground Water Development.

The plan has already yielded fruits. Minister Gugile Nkwinti from Department of Water and Sanitation responded to our call. This effort has managed to secure an amount of about **R2.4 billion** over the next three years from Water Service Infrastructure Grant (WISIG) and the Regional Bulk Infrastructure Grant (RBIG) to deal with both the water and waste water treatment in the municipality.

Some of the projects from the Water master Plan are already being implemented. Contractors have been appointed to start with implementation. So expect a lot of earthworks in the municipal area for some time to come in our effort to make available close to 40 Megalitres of water at peak available to the residents of Polokwane through

underground infrastructure. Please receive our apology in advance for the inconveniences that are to follow.

We also have to ensure that the water supplied from these projects is of quality and in line with the national blue drop standards. For this purpose the contractors have started with construction of the state of the art treatment plant and construction of the rising main to take the water to the plant for treatment. There will be a plant to purify or treat the water in Seshego as well.

According to the master plan research the underground water system will have capacity to augment supply from Lepelle Northern Water for an estimated period of ten to fifteen years. With these systems in place, the disruptions of supply from Lepelle Northern Water sources may not affect the residents and business in Polokwane.

A lot of underground water was identified in the Sebayeng area which will augment the supply of water in the nearby areas like Mankweng given the abnormal growth in that area.

We must emphasize that the underground water is a short term solution whilst Lepelle Northern Water is seeking long term solutions to bring more water to Polokwane.

Waste Water Reclamation

Once the infrastructure is built, the city is looking into possibility of waste water reclamation – recycling the water coming into the city. It should be borne in mind that eighty percent (80%) of water end up in the sewer system. This is a tried and tested technology that is being practiced in other countries such as Finland and Namibia because of shortage of water.

Waste Water Treatment

When the current Council took over, we found that the sewer plant was operating at a higher capacity than what it was constructed to handle which resulted in unbearable smell. Today as we speak, the smell has been drastically reduced. The reason why we can't get rid of it at a go overnight, is because we are working on a live sewer plant with sewer affluent. We are left with less than twenty percent (20%) of work to be completed for that plant to run hundred percent (100%).

Engineers have started with the process of refurbishment and upgrading of the Mankweng Waste Water Treatment plant. This is in anticipation of the growth in the area and that the University of Limpopo has plans to build more student accommodation and student accommodation in residential areas.

Regional Sewer Plant

We have reviewed our plan to build a 40 Megalitre Regional Sewer Plant by opting to refurbish the current sewer plant to ensure that it functions optimally and instead of the 40 MegaLitre plant we will be constructing a 20 MegaLitre plant which will be funded purely by government money.

The plans for the Seshego Waste Water Treatment Plants and Mankweng are underway. Consultants have been appointed and are at preliminary design stage. This will provide the municipality with an additional 10ML/day treatment capacity.

We commenced with phase one this project during the 2017/18 financial year which entails the construction of the Outfall Sewer Bulk pipelines from the existing Seshego

WWTW and Polokwane WWTW. The three contractors have been appointed and work is progressing well.

Phase 2 entails construction of earthworks for the Regional Waste Water Treatment Works and the project has been advertised for appointment of a contractor. It is anticipated that construction should start by around October 2019. Phase 3 will entail civil, mechanical and electrical works.

This project will also continue to contribute to Mogalakwena economy through our agreement Anglo Platinum for them getting additional water from the new sewer plant in order for their mines to continue contributing to the provincial and national economy. They are currently receiving water that is a lifeline to their continued operations from our sewer system.

Flora Park/Serala View & Ivy Park

Honourable Speaker, to conclude on some of the interventions emanating from the Water Master Plan, please allow me to thank the people of Flora Park and Serala View for their patience that due to the challenges experienced on the designs of the water supply infrastructure to these areas, the residents, particularly those in the high lying part had to endure water shortage over a period. Part of our intervention emanating from the Water Master Plan was to put up a mini reservoir with a high pressure pump and non-return valves there to isolate the higher areas to ensure that if there was no water from the LNW sources the community can continue to receive water. In the same spirit we are dealing with the challenges experienced by the community of Ivydale.

AC Pipes Replacement

Let me also thank the residents and business in the City and Seshego for their patience during the replacement of asbestos cement pipes. We are aware that it came with a lot of inconvenience and I take this opportunity to thank you for your patience and understanding.

Water losses due to old asbestos pipes was a big challenge for many years due to ageing AC pipes. We commenced with this project during the 2016/17 financial year and a total of **157 kilometres** has been replaced to date. We can now announce that phase one of the project in the CBD, Annandale and some areas in Seshego has been completed (with a snag list remaining).

Over the next two financial years an indicative budget of **R100 million** has been made available through Regional Bulk Infrastructure Grant (RBIG) to continue planning for replacing this old infrastructure in areas within the city and Seshego which were not part of phase 1. We are also intending to implement the project in Solomondale and Mankweng.

Rural Water

Honourable Speaker, the Water Master Plan does not only address water challenges in the city and Seshego and other urban areas, but has identified available of water in all the rural areas. The Aganang cluster is the most affected and we have kick-started projects through the Aganang Regional Water Scheme.

We are dealing with the Aganang Cluster and the municipality has recently parted ways with a consultant who was inherited from the former Aganang days because when our contractors started with construction, they found out that the designs handed to them seemed not to be the designs for the villages that they are appointed for. This caused some delay to the implementation in some areas in the Aganang Cluster and we

apologise to the residents of that cluster for this. However, a consultant has since been appointed and they are working to ensure that the people of Aganang also receive water.

The **Aganang East Kordon Phase 1 Project** will provide 334 households as well as provide sufficient water for the future growth.

The **Aganang East Juno and Fairlie Water Supply Phase 1 Project** will provide 407 & 366 household respectively with water as well as provide sufficient water for the future growth of this community.

The **Ceres and Lonsdale Phase 1 project** will provide 720 households with water.

The following villages have approved technical reports and are under planning/design for implementation in 2019/20 financial year: Rametlwana, Ga Mmabasotho/ Lonsdale, Ga Ngwetsana/Ceres, Ramotlokana/ Farlie, Taung/Kordon, Juno, Kgoroshi, Sechaba, Mahoi.

A consultant has been appointed to undertake the development of technical reports for all other outstanding villages not covered in technical reports but identified to fall under existing schemes as follows:

- **Bakone RWS:** Hwibi, Goedgevonden, Schoongelegen, Ga-Mmathongwana, Moetagare, Tibanefontien, Boratapelo, Ga-ramokadi, Garamakara, Setumong, Ga-Selolo, Ntlolane, Semaneng, Kalkspruit, Dibeng, Ga-Phofu, Phetole, Nokayamantla, Ga-Dientane, Bakone, Ga-Ramakara, Ga-Madietane.
- **Aganang East RWS-** Rapitsi, Rammabola, Ga-Ramoshwana, Ga-Mmabasotho, Cloe, Matlala, Ga-rampuru, Modikana, Damplaats, Ga-piet, Ga-Rankhuwe, Wachtkraal, Mashamaite, Makgodu, Kaaspruit.
- **Houtriver RWS-** Washbank, Cornelia, Lepotlako, Kalkspruit, Helena.
- **Moletjie South RWS:** Jupiter, Naledi, Venus, Diana, Mars, Glen Roy, Sefahlane, Monotwane, Sepanapudi.

The first phase of the Aganang Regional Water Scheme started in 2018 and R21 million was allocated for that financial year. R40 million is allocated this scheme for the current financial year.

Regional Water Schemes

Honourable Speaker, our mandate to accelerate services is unquestionable and we continue to make impact towards provision of water through the Regional Water Schemes.

The first phase for Olifantspoort RWS (Mmotong Wa Perekise), started a few years back (started in 2006). A total amount of **R93.5 million** was spent on this RWS on seven phases. Phase 8 is currently under construction and once completed several villages like Mokgau Park, Mabotsa, Kwena Moloto 1 & 2, Dairing, Peter Nchabeleng, Makgofe, Letsokoane Extension, Kgohlwane, Mokgokong, Spookpark, Maseshe Blood river, Thakgalang, Ga-Ranoto will start to drink from this scheme.

For Badimong RWS Phase 10, approximately R9 million has been spent so far and over 5 400 households in Badimong, Segoreng, Ga Shiloane and Matshela-pata are benefiting from this RWS.

Chuene Maja RWS Phase 9, entailed the installation of 147 standpipes, 8184m distribution and reticulation lines installation in Matobole, Thokgwaneng, Dichueneng, Mmotong wa Bogobe and Mmakata as well as installation of a 220 KiloLitre elevated tank at Mmakata village. Approximately **R7 million** was spent and over 4 265 households from various villages like Mmakata, Mmotong wa Bogobe, Matobole, Thokgwaneng and Dichueneng are benefitting from phase 9 of this scheme.

In **Sebayeng Dikgale** area the scheme is benefitting over 4 500 households in the areas like Ramushai, Province, Segopye villages. Almost R13 million was spent on this scheme. We are currently implementing another project where R11 million has already been spent and is at 98% physical completion.

Rural Sanitation

For **Rural Sanitation**, since 2015/16 financial year, the municipality built **2392** toilets in the **Sebayeng Dikgale Cluster**, 6 villages benefited in the three wards. The projects were planned in 4 phases and commenced in February 2016 and completed in February 2019.

A total of **R37million** was budgeted in 2018/19 financial year, through MIG to construct **2745 VIP** toilets in rural areas. The project was implemented in the four municipal clusters, namely; Moletjie, Mankweng, Molepo/Chuene/Maja and Sebayeng/Dikgale.

During 2017/2018 financial year the Municipality spent an approximately **R10.7 million** to implement 570 units of Ventilated Improved Pit latrine in **Chuene/Maja/Molepo**. Matobole village, Maratapelo and Mmotong wa Bogobe in ward 01&02, Chuene/Maja/Molepo cluster benefited and 112 local labourers were hired. Again in **2018/19 financial year, R10.9 million** was allocated to implement 617 units of Ventilated Improved Pit latrine in **Chuene/Maja/Molepo**. **This project benefited** Matobole village, Maratapelo, Mmotong wa Bogobe and Lishikishiki vilages in ward 01 & 02.

For the **Mankweng RHS**, in 2017/18 financial year 600 units of Ventilated Improved Pit latrine was constructed at the cost of **R7.9million**. This project benefited Mentz (Ga-Shiloane village) and 120 local labourers were employed. Again in 2018/19 financial year 600 units of Ventilated Improved Pit latrine were implemented at a cost of **R6.3 million**. Moshate village, Seleleng village, Kgwara village and Makgobathe village – in Mankweng Cluster ward 30 benefited and 100 local labourers were employed.

We have appointed a contractor to clean the toilets in the rural areas.

The municipality is currently on the planning stage for the 2019/20 financial year projects budgeted at **R26 million**

FUTURE GROWTH & PROJECTS

Rapid Urbanisation and Human Settlements

The mushrooming of unplanned and uncontrolled settlements is a nightmare for the city as they happen on tribal owned privately owned land that does not belong to the municipality. For example settlements along the road to Mankweng, around the University of the North, Mamadimo Park, Leukuil and those outside Seshego on a private farm like Juju Valley, Kwena Moloto etc.

Level 2 Accreditation

Honorable Speaker, The Municipality has received the Level two accreditation and this will enable planning and execution of housing delivery. We are the only Municipality in the Province accredited at that level. Some of the key functions for this accreditation will include Subsidy Budget Planning, Beneficiary Management, Housing Subsidy Registration, Subsidy Management, Procurement and appointment of Implementing Agents, Programme management, Contract Administration, Technical Quality Assurance and Budget Management.

The new organogram caters for the creation of a new Human Settlement Directorate to be ready for the task ahead and we should be ready for implementation in 2020. This accreditation will reduce the current challenges like abandoned projects where houses are left without being completed, withdrawn and poor workmanship in some instances.

The Municipality has successfully secured the commitment letter by the Department of COGHSTA for installation of engineering services for Polokwane extension 133, 126

and 127 in order to eradicate the informal settlement by relocating and allocation of sites in the formal Township.

The current informal settlement around Dalmada, Baskopies, Kalkfontein, Mankweng and rural areas are to be addressed by the application of Rural Settlement Strategy approved in 2017 and the New approved Municipal Planning By-law, 2017 for formalisation.

Illegal Land Use

Illegal land use in the municipality is one of the biggest challenges and we continue to come up with measures to deal with these challenge. This financial year we have put aside some allocation for the appointment of service providers who will be monitoring illegal land use in the business and residential areas. They will monitor illegal erection of structures, usage of residential properties for business and properties that are used for wrong purposes. We will launch massive campaigns in the downtown area and elsewhere where there are building of shacks and other illegal structures.

Catalytic Projects

The Municipality has identify the following catalytic project: Turn-around the Game reserve for a Eco-estate, urban renewal projects, Arts and cultural Hub at Bakoni Malapa, that will includes **Film Studios & Film Archive, Workshop - Training Area, Manufacturing Area, Retail, Hotel, Arena, Incubator, Theatre etc.** as part of the Long-term strategy for economic growth and development, the city has seen the opportunity around the airport for the proposal of the Special Economic Zone or Industrial Park. This will enhance the economic growth and Job creation.

As part of the support of the SMME's Development, the municipality intend to develop a post incubation hub at Polokwane Extension 26 in order to assist aspiring SMME's within our Itsoseng Incubation with best infrastructure and resources with the assistance of the Department of Small Business programs or grants. The engagements are underway for the development of the said incubation.

One of our incubator, Kgaros was awarded for the small scale Agro-processing from our incubation (Itsoseng). This SMME's need much bigger industrial facilities as proposed.

Trucks challenges within the city will be addressed once the current lodged township establishment that will includes the **Truck-inn, Sasol depot and tankers, Cargo truck, Filling station and commercial (PLK X 136)**. The development aims at creating approximately 80 000 jobs during the construction and 16 000 permanent jobs.

A well-secured and planned Botanical garden will be established adjacent Polokwane Extension 124 with high-density development around the identified site to secure the world iconic clavicola and bullfrog species to add to the tourism attraction area.

Academic Hospital, Provincial Legislature and Science Park

The Municipality has already released land through donation for the development of the Academic hospital and provincial government has taken over transfer of land for the construction of the Provincial Legislature within the SDA 3 here in the city. Further to this, the Municipality has provided the land for the establishment of the Science Park as highlighted in the state of the province address.

Human Settlements

Honourable Speaker, in our pursuit to deliver housing, the municipality is implementing a number of projects and development of new townships for the benefit of the majority of our communities who do not have access to land.

Polokwane Ext 78 (previously known as Disteneng)

The transformation of Disteneng or Ext 78 from an inhabitable area where our community suffered under inhabitable conditions to what is now the community there can call home, is one of our good stories to tell. 1040 RDP houses have been allocated for 2019\20. This is now a fully-fledged residential area. This was an informal settlement which the Municipality took a decision to upgrade and subsequently a township with almost three thousand (3000) residential sites was re-established, registered and proclaimed. The president of the Republic, President Cyril Ramaphosa has committed to build a school for this community.

Approximately one thousand seven hundred (1700) beneficiaries were re-settled on formally demarcated sites. The remaining sites, which will be sold, are reserved for middle and high income earners. The remaining households were relocated to a holding area in Ext 106, thereafter, they will be relocated to Ext 126 later this financial year.

Basic engineering services like water and sanitation are being installed.

Polokwane Ext 133

Polokwane Ext 133 is another newly approved project with almost three thousand (3000) sites which was approved for the benefit of the people of wards 11, 12, 13, 14, 17 and 37 in Seshego for residential and other land use purposes.

Basic engineering services like water and sanitation are being installed.

450 housing units have been allocated for this area and the contractor will resume with construction as soon as services are fully installed.

Polokwane Ext 72 and 79

The housing Gap Market is one critical areas that require government intervention and the municipality has responded by making pockets of land available for development of townships Ext 72 and Ext 79.

Social Housing

We have availed land parcels to the Polokwane Housing Association (PHA) for the purposes of delivering Social, GAP and Rental housing projects. The PHA will embark on three projects namely the:

Annadale Ext 2 Social housing Project which is phase 2 of Ga Rena Rental Village and is expected to yield about 494 rental housing units. The contractor is on site and have started with the construction. The project is expected to be concluded in 18 months' period.

The second project is the **Ext 76 Social Housing Project** which will be implemented in Matlala Road, in Ext 76. The project is intended to yield 240 rental units. It is developed in a township dominated by income housing, it will bring different typology in the area and revitalize the environment. Planned start date is around October 2019.

Student Accommodation is the third project to be implemented under PHA at Ext 106 and Ext 108 next to Sasol Madiba Park. A contractor has also been appointed and is expected to start with construction anytime.

Gap Housing

A contractor has been appointed to develop gap housing in Polokwane Ext 107 for the delivery of 754 housing units hosting different housing typologies that will be built off plan and be sold for outright ownership. It is anticipated that construction on this project will start in January 2020.

ROADS AND TRANSPORT

Expenditure on strategic infrastructure projects like roads and efficient transport system has a direct impact on economic growth and determines the efficiency with which our city and the entire municipality does business. This is why we continue on a path to develop new roads in areas where there was none before so that we can unlock potential economic activity and access to other key services in those areas.

Elements of traffic congestion during peak hours coming from and to Mankweng and Seshego area are showing challenges that are experienced by bigger cities and we are initiating the Integrated Transport Plan this financial year. This is critical for future planning on mobility and movement of goods within the city and areas outside the city.

Therefore all the major routes in the rural areas linking these communities with the city need to be upgraded into modernised tar roads in order to unlock economic opportunities for these areas. Projects that we will be implementing going forward are projects that will be geared towards attaining this economic objective.

Roads and Storm water achievements.

During 2017/18 and 2018/19 financial years, the Municipality managed to upgrade 31.18km of roads from gravel to tar, rehabilitated 8.23km of roads, re-gravelled 223.57km, routine maintained 112 935.62m², constructed 2.78km of non-motorized infrastructure and constructed 8 low level bridges.

Seshego

A number of projects were implemented in Seshego through the Neighbourhood Development Grant which includes the following :

Construction of **None Motorised Transport (NMT)** facilities, street lighting and beautification along Ditlounge Street in Zone 2 at **R4.6 million**.

Construction of **NMT facilities on 27th Street and upgrading from gravel to tar** which also include street lighting for both Zone 1 and Zone 2 at **R11.2 million**. The contractor was terminated due to poor performance and another contractor appointed in 2018 to complete the work.

Construction of **storm water culvert, street lighting and NMT** between 36th Street and Zondi Maphanga at **R40.7 million**. The project started in 2017 and was finished in April 2019.

Upgrading from single to dual carriageway of Polokwane Drive, NMT and street lighting that started in November 2018 at **R27.3 million**. The project is a multiyear project and is continuing

Landscaping and Lighting of the Triangle Park in Zone 2 which include paved pathways, children play area, upgrading of outdoor gym, Skate Park, street lights at **R8.2 million**

Upgrading of Hospital link road and Bookelo Road to link Hospital View at R8.9 million. The project experienced stoppage by the community with allegations that the road is upgraded for the church and they also want title deeds before developments take place within their area.

Through own capital revenue reserves the municipality is also implementing road upgrading projects in Seshego Zone 1,2,3,4,5 and 8 that started during the 2018/19 financial year and planning is in place for Zone 6 and Zone 8 in the current financial year

Mankweng

The municipality has tarred **streets in Mankweng** Township (Ward 25 & 26). To date approximately 3.4km has been successfully completed that amounts to about **R23.5 million**. The project is funded by Municipal Infrastructure Grant, phase 1 started in May 2017, Phase 3 will be completed in July 2019.

Mankweng streets, linked to Excelsior Street has been tarred, phase 1 started in May 2017, Phase 3 will be completed in July 2019.

Tarring of Streets in Toronto, phase 1 started in May 2017, phase 3 will be completed in August 2019. To date approximately 2.0km was successfully completed that amounts to about R19.2 million and 58 jobs were created in all the three phases.

Molepo/Chuene/Maja

Tarring of streets in Molepo/Chuene/Maja, phase 1 started in October 2017, phase 2 will be completed in March 2019. To date 3.0km was successfully completed that amounts to about R23.5Million and 46 jobs were created in the two phases.

Sebayeng

Tarring of Sebayeng Ring Road, phase 1 started in May 2017, Phase 2 was completed in October 2018. The project is funded by Municipal Infrastructure Grant. The number of jobs created on the two phases was 47. To date 2.9km were successfully completed that amounts to about R18.2Million.

Chebeng

Chebeng to Makweya Road Project, is a 4km ring road with both ends connecting to the R567 along the Matlala Road. The project has benefited both the community of Makweya and Chebeng villages.

Aganang

Mohlonong to Kalkspruit upgrading of road from gravel to tar- phase 3, started in April 2018 and was completed in September 2018.

In the 2018/19 financial year, at least R20million has been budgeted to implement the first phase of the concession projects. There following 10 arterial roads projects that have already been advertised for appointment of contractors, the programme will be implemented over two financial years

1. D1809 from Maboi to Laastehoop
2. D3472 Ga-Setati to D3332 Mashobohlang
3. Phuti to Tjatjaneng
4. Madiga to Moduane
5. D3997 Ga-Mokgopo to Ga-Makalanyane
6. Ga-Mamphaka to Spitzkop
7. D3413 Ramakgaphola to D3390 Gilead
8. Magongwa from D3378 to D19
9. Ben Harris from Zebediela to D19
10. Internal Streets of Westernburg

The Municipality in the 2019/20 financial year has budgeted **R186.6 million** to upgrade roads from gravel to tar through IUDG, NDPG and CRR, and **R14 million** from KFW Bank for the construction of non-motorized infrastructure in the city cluster. For the 2019/20 financial year, the Municipality has planned to implement the upgrade of **26km**

from gravel to tar, rehabilitation of **2.4km of roads**, re-gravelling 80km, Routine Road Maintenance of 30 000m², Construction of 2.5km non-motorized infrastructure and Construction of 8 low level bridges.

We are, however, still confronted with challenges of inadequate budget to address the backlog of upgrading existing gravel roads to tar in particularly in rural areas, surrounding suburbs and townships.

Apart from all these investments into roads, we have submitted to the Development Bank of South Africa (DBSA) with a Roads Concession Programme so that we can bring meaningful impact to the lives of our communities. We are just awaiting approval from DBSA.

This is another unblocking of the fourth stumbling block on our road map towards growth.

Leeto La Polokwane

We are about to embark on the Leeto la Polokwane Go Live. The first bus has arrived and all of them are ready to roll into the city. However, we will not bring them into the city until we have signed the necessary agreements with the taxi industry, especially the affected ones which are Seshego, Westernburg and Flora Park.

The buses are universally accessible, meaning that there will be access for all, whether you have physical disabilities, pregnant or traveling with small children. The lay-over facility, trunk route between Seshego and the City, feeder routes and bus stops will be ready for the 2019 Go-live operations.

Infrastructure development will continue while the system is in operation, such as, the Station on General Joubert Street, the Depot at Zone 8 Seshego and extension of the trunk route towards the CBD.

Stakeholder Engagements with other affected formations are on-going. We have been engaging our property and business owners regarding a transit mall that we are planning to develop between Church, Jorrisen, Excelsior and General Joubert Streets. We will be conducting public participation sessions on the Leeto la Polokwane Fare Policy and Operations By-Law soon. An information week is also planned to take place in the next coming weeks where all our stakeholders are invited to come and get more information on how the system will operate.

It is our plan to launch before the end of this year, however a date can only be announced when we have concluded all the necessary processes with our partners, the taxi operators.

Sanral Bypass

We understand that the people of Polokwane are equally frustrated by the by-pass around the city. Whilst we understand that the by-pass is a national government project implemented by Sanral, as a city we have the responsibility to inform the people of Polokwane about its progress. At this point we can only report that our latest engagement with Sanral is that they are seeking ways to speedily resolve the and cannot at this point give clear information about when construction can resume.

However, we will be engaging with the Premier to engage the minister because this is a major inconvenience during peak season and whilst we acknowledge Basil read went under business rescue, it is unacceptable for Sanral to take so long to resolve this matter as this is not a good reflection of the city and the province.

Electricity

When we took over as Council, electricity was the number one priority for the majority of our communities and through our forward planning and frontloading project with DBSA and together with Eskom we have managed to remove electricity from the top spot in terms of service delivery priorities.

Rural Electrification

Rural electrification is another of our good stories to tell as we were able to electrify about **30 000 households in 2017 reducing the backlog by above 95%**. Some of the projects in 2017/18 included electrifying the following areas: **285 at Matobole, 216 at Ga- Tšhwene Moshate / Mmotong wa Bogobe, 250 at Ga- Mabotja / Mokgawa Park and 215 Mankweng unit G.**

We have electrified the following villages in 2018/19: Mabokelele, Mogabe Moshate, Mothiba Ngwanamago, Mashamaite, Rapitsi, Rankhuwe and Selepe and installed 10 high mast lights at a cost of R4.5 million. We have just advertised electrification of the following villages: Moduane, Mamoakela, Boikhutsong Phase 1 and Molepo Extension.

We are currently finalizing the implementation plan for the 2019/20 financial year which is delayed by capacity challenges experienced by Eskom.

Now our issue of focus in the rural areas is the Extensions which presents a moving target due to uncoordinated settlement development by the traditional authorities. Most of our electrification projects will be addressing the extensions and villages that are still without electricity.

Urban Electrification

- Hospital View electrified in 2017
- **167 houses of Mohlakaneng** were connected in 2017/18

- Polokwane Ext. 106 had 145 households connected during 2018
- **300 households at extension 78 in 2018/19**. Phase 2 of this project is delayed.

We have budgeted R12 million for the construction of Thornhill substation to strengthen capacity in the surrounding areas.

The biggest challenge which often leads to confrontation with our communities on the rural electrification project is related to challenges experienced by Eskom due to lack of capacity to energise projects that have been completed. This is a serious concern, however we continue to engage with Eskom to arrive at a solution.

The other challenge is that electrification of rural areas fall outside our license area. We are currently only licensed to service the city area and Seshego. However, for many years we went out of the way having listened to the request from our communities and upon completion we hand over the infrastructure to Eskom at no cost.

I will be presenting a report to Council to request approval for us to start engagement with NERSA and Eskom to grant us license from Broadlands to the growth point around Mankweng and including Solomondale. Please remember that we are one of the best paying municipalities in the country that always pays Eskom within time. So we have to take over these areas so that we can service our communities and remain viable. There is no reason for them to say no because we are currently paying them and we will still be able to afford paying for the bulk even for the additional areas.

As Executive Mayor of Polokwane, I want to use my capacity as the President of Salga to take this matter on a national level because it does not affect Polokwane alone. Eskom's responsibility is to generate and distribute electricity and the reticulation or service provision thereof is the function of local government.

Projects Disruptions

Honourable Speaker, our service delivery process was not as smooth as we wished, some challenges were encountered. Some projects were delayed because of stoppages during the community protests. Some of the newly build infrastructure were also vandalised. Among some of our challenges we count some of our communities and failing contractors. Our message and plea to the communities is that today one of our biggest risk in implementing projects is you our communities going to stop projects. I plead! This practice must come to an end. We operate with an open door policy and our plea is that where communities have issues with our planning and projects they need to come and engage and not stop projects. It is important to note that when projects are stopped the costs escalates to higher than the budgeted cost because the contractor will continue to claim for the duration of the stoppage.

As a city we no longer have room for non performing contractors. We have terminated a lot of them not because we hated them, but because we had a professional relationship that was based on a specific job that they had to perform in line with our constitutional imperatives to provide service to our residents, but they failed.

WASTE MANAGEMENT....

Our communities have raised the issue of waste collection and illegal dumping and we listened and acted.

We are building rural transfer stations. In 2018/19 the Vaal kop transfer station in ward 9 has been completed with a budget of R2.7 million and ready to start operating.

The transfer station will assist the community in reducing the illegal dumping of disposable nappies in the veld that causes environmental pollution and degradation.

Other rural transfer stations that are still under construction include Dikgale and Makotopong both for **R4.2 million** budget. The Molepo transfer station in ward 4 with **R1 million** is expected to be completed in the third quarter of 2019/20 financial year

The municipality provides waste collection service in urban areas that include the city, Seshego, Mankweng and Sebayeng. Waste collection is also rendered in eighteen (18) villages in rural areas. We continue to litter picking service in rural areas by utilizing EPWP program with a budget of **R4 million**.

Transportation for waste collection service in urban areas has been improved. Three service providers have been appointed for a period of three years with effect from 01 February 2019.

The journey still lie ahead on waste collection as there are new projects planned for 2019/20 financial year.

- Extension of Weltevreden landfill site with budget at R6 million.
- Completion of phase 3 of Aganang landfill site budgeted at R6 million.
- Completion of Dikgale transfer station budgeted at R1.4 million.
- Completion of Makotopong transfer station with budget of R2 million.
- Construction of Molepo rural transfer station budgeted at R2.5 million.
- Acquisition of 6 and 9 CubicMetre skip containers for both urban and rural waste management with a budget of R1.3 million.

2019/2020 Budget

Honourable Speaker, Council has adopted a budget that seeks to ensure basic service delivery to all our communities, contribute towards job creation and accelerate economic development and ensure financial sustainability.

We must remain resolute on our decision to ensure that the poor in the municipality are subsidized on all the key services which municipality offers while at the same time our communities are encouraged to live up to the principle of social contract and pay for the services that they consume.

The total budget for the 2019/2020 financial year is R5.4 billion which is made up of an operating budget of R3.6 billion and a capital budget of R1.8 billion.

Operating and capital expenditure

The total operating expenditure for the 2019/20 financial year has been appropriated at almost R3.6 billion. When compared to the 2018/19 adjustment budget, the operating expenditure has grown with 6 percent (6%).

Capital projects will be funded from grants to the amount of R1.26 billion whilst R620 million will be funded from own funds and borrowings.

The bigger chunk of the capital budget is geared towards the critical services as per the mandate of the communities that we serve which are Roads, Water and Sanitation. The capital budget is as follows:

R522 million for roads and storm-water, **R507.9 million** for sewer reticulation, **R386.7 million** for water supply and reticulation, **R159.4 million** for BRT infrastructure, **R62.2 million** for electricity infrastructure and **R61.1 million** for sport & recreation.

Tariff Increases

We have taken into consideration inputs from all the consultations and considered the economic, social and financial factors in determining the increases.

The following tariff increases have been approved by Council:

- Electricity by 13.07% as per the NERSA guidelines
- Water by 7.5% while
- Sanitation, refuse removal, assessment rates and all other tariffs by 6%

Employee Costs and others

From experience we also know that due to salary increases negotiated on national level and other costs where increases are above inflation, it will be difficult to keep increases in total costs below inflation.

With this consideration...

- Employee related cost is expected to increase in line with SALGA bargaining Agreement which CPIX+1. Employee related costs will increase at 6%
- Bulk Purchases at an overall increase of 10%
- All other costs will be increased in line with CPIX
- Debt collection rate to reach 90%.

National treasury circular 93 and 94 leaves no stone unturned on tariff settings compliance. Above inflation increases in water and electricity tariffs are informed by cost reflective tariff modelling and increases in supply costs from NERSA and the water board namely Lepelle Northern water whose increases were above inflation for the 2019/20 financial year.

However, it should be noted that the increase in water tariffs of 7.5% has been the lowest in the last two financial years which recorded increases of 10% and above.

Of all the metros and secondary cities Polokwane Municipality's total monthly account which includes assessment rates and services is still one of the lowest even after the proposed tariff increases were applied.

Indigent Support

Honorable Speaker, as with previous years, we made provision to render free basic services to the indigents. These include:

- 6 kiloliters of water per month,
- 100kilowatthour electricity per month,
- Free sanitation and
- Free refuse removal services.

The 100 kWh free electricity per month is above the national norm of 60kwh which translates to an additional support of around R7 million per annum to our poor households.

Surplus and cash flow management

The municipality will continue to research on enhancing its revenue streams.

One focus under consideration is the commercialization of its facilities which have revenue generating potential in order to reduce the level of reliance on the municipal coffers. Facilities such as the game reserve, stadiums and others will be thoroughly reviewed through a feasibility study to ensure that these facilities generate sufficient revenue to cover the cost of doing business.

We will continue to remain vigilant in the monitoring and implementation of the approved cash flow strategy to curtail expenditure on non-service delivery projects or programmes to ensure that the Municipality remains financially sustainable.

Services Payments

Further, to those who are neglecting their responsibility of paying, we have intensified the application of credit control measures as well as legal action. It is befitting that we express our sincere gratitude to all individual residents and businesses who continue to

pay their municipal accounts in the City and Seshego. It is out of these contributions that we are able to expand and sustain service delivery.

We have put together a plan for the Mankweng area and Government institutions in that area and will embark on a campaign to ensure optimal revenue collection in the area.

Audit Outcomes

Whilst much is being reported around irregular expenditure in the city, we take this opportunity to assure the residents of Polokwane that all these reporting about the municipality are related to contracts implemented some years ago before this current Council term e.g the Fleet Africa contract. Such contracts will be reported until they come to an end. That is the reality and the residents must not be worried that because there was reporting of R500 million irregular or unauthorised expenditure and think the money was stolen or lost. Auditor General finding on this relates to a contract that was awarded when one official that was supposed to be in that meeting was not present in the meeting. There is no instance where the city has physically lost money and we have not taken appropriate action.

In the previous financial year, we were qualified with almost seventeen paragraphs or matters which became the basis of the city getting qualified audit opinion. We have put in place measures to deal with these audit finding and recommendations which is why in the last financial year we received only two paragraphs meaning we are moving in the right direction and making progress towards a clean audit opinion.

Smart Solutions

The fourth industrial revolution is the current and developing environment with innovative technological trends that are changing the way we live and work. Therefore we must never find ourselves left behind. The municipality continues to explore smart innovation towards service delivery in order to improve the experience of our residents when interacting with the municipality.

Munsoft, our new financial system will in the near future introduce an online citizen portal that will enable citizens to view statements and even pay their municipal bill online. We are exploring other interactive mobile apps that are cost effective to enhance this experience.

We have now concluded connecting most of our satellite offices to the internet and our network and residents in areas like Seshego, Sebayeng and Mankweng will no longer have to come to town to check and pay for their accounts. Outstanding satellite offices which are in the Moletji, Aganang, and Molepo Chuene Maja clusters will be connected before the end of August 2019.

We are exploring solutions on Wi-Fi installation in the rural and urban areas at critical hotspots such as schools and libraries and others so that children in those areas can be able to access the global community. Soon we will be inviting service providers in the area of Wi-Fi connection.

In conclusion,

Honourable Speaker, with all these programmes that we have put in place, we are now confident that we are moving closer of our ultimate goal of being able to launch and application for being a metro in the future. We will soon be advertising a position for someone who will be coordinating this programme.

As an Council today, we must always remember that the price for success is hard work, dedication to the job at hand and the determination that whether we win or lose, we would have applied the best of ourselves to the task at hand.

We are alive to the expectations of our communities and we shall keep on engaging to ensure that all the communities in Polokwane are treated fairly and equally

I call upon all the people of Polokwane to hold hands with us in this journey to build a Smart City because unity is strength and when there is team work and collaboration, wonderful things can be achieved. In unity we can move mountains... In Northern Sotho they say "Tau tša hloka seboka di šitwa ke nare e hlotša"

Re Aga Polokwane!