

**ADDRESS: EXECUTIVE MAYOR DAN PLATO**

**CITY MEETS BUSINESS**

**28 JULY 2009**

Good morning Programme Director, Mr Wiley, Deputy Mayor, members of the Mayoral Committee and Executive Management Team, business leaders, ladies and gentlemen.

I welcome and appreciate this opportunity for the City and business to tackle the challenges and opportunities facing Cape Town in a constructive way.

Market analysts say there are signs that the economy is starting to recover. There are, however, still business closures and job losses. Some of our residents are victims of the economic downturn; others have been poor and struggling for much longer.

During my term of office I would like to focus on poverty alleviation and significantly improved service delivery. The issues that affect the poor are not isolated. The late Dr. Anton Rupert said: "If they don't eat, we don't sleep". It is, therefore, everyone's responsibility to get involved.

Like you, the City is also in business – the business of service delivery. We have a staff of 23 000 serving 3,4 million people living in an area of 2 500 square kilometres. We are your closest sphere of government. That does not mean we are responsible for everything. That misunderstanding is partly to blame for the service delivery protests we are seeing. Local government often has to take the blame for plans and promises of national and provincial governments.

The main municipal services include electricity, water, sanitation, refuse removal, primary health care at clinics, law enforcement of by-laws, managing disasters like flooding and fires, roads, transport and stormwater, facilities, sport and recreation. Education, policing and housing, for example, are the responsibility of provincial and national government. The City plays a role in these areas but it is limited to a supporting one.

We know houses, crime and jobs are the highest priorities for most of our residents. While these are not the City's primary responsibility, we do not wash our hands. We give informal settlements basic services and try to upgrade their existing housing and find serviced land. We support the South African Police Services in their task and we tackle elements of social crime. We try to create services and conditions that will attract investors who create jobs. We work with provincial and national government to improve services to our people.

I appeal to you to look beyond government tenders or Corporate Social Responsibility programmes. The City can help to match community needs with business opportunities. We have seen how a single supermarket in an informal settlement can start to lift peoples' lives. There are opportunities in these markets.

You have the power, as individual businesses and collectively, to create real change. If you upskill your workforce, if you give them training and growth opportunities, if you help them and their families to improve their education and qualifications, you are helping the city and its economy.

If you use local labour and suppliers you are contributing. When you help your staff to rent, buy or build property you are giving them a stake of hope.

If your community or social responsibility programmes teach people life skills, clean up their area or make it safe, you are building Cape Town. If you reduce your energy consumption, re-use water and recycle your waste, you are protecting the environment. Our natural beauty is our competitive edge.

The City can benefit from your knowledge. Tell us how we can help to create an enabling environment for new business and new hope in poor areas. We can play a supporting or enabling role.

The City identified 224 informal settlements in 2006. We are upgrading them and providing basic services. We do this in priority order and within our budget constraints. The City of Cape Town decided to start “mainstreaming” informal settlements. They are part of this city, not separate problem areas.

It is a difficult and a long journey. For every R3 we spend on installing services like water, we spend R2 to repair or replace vandalised or stolen items. If communities allow such vandalism and crime without reporting it, they will leave their crèche or school without water the next day. Community ownership and pride is difficult when you are poor, but we must change this.

Informal settlements are built on the Cape Flats which has a high water table and cannot absorb heavy rains. People build in low lying areas, even retention ponds. Some believe – mistakenly - this will give them priority housing. Large areas of our City are at risk of flooding. Coastal areas are also at risk because of climate change and heavy winter storms.

The recent flooding affected several formal areas as well. The City did much work before winter to clear stormwater systems and install protective measures against mudslides on mountain slopes. This work paid off. When the flooding came, hundreds of City officials worked tirelessly and we gave emergency relief to victims. Overall, we coped.

One of the major challenges facing the City is housing. There are about 400 000 people on the Council housing waiting list. This needs a concerted and sustained effort from national, provincial and local government as well as business and people themselves.

There are no quick fixes or easy answers in this daunting task, but the City is tackling it.

1. Our Five Year Housing Plan has been revised for 2009/2014. It will now align with the National Housing Breaking New Ground Policies and Programmes, the Provincial Isidima Initiative and the City's Integrated Development Plan. The start of the City's longer term 6 to 15 year strategy has also been included.

2. A total of 9 576 housing opportunities were achieved in the last financial year. This is despite Planning and Environmental Impact Assessment processes, construction industry capacity, shortage of professional project managers and community interference in some projects. (This is the highest housing output since the establishment of the Cape Town Metropolitan Authority where the output for 2007/08 was 6 439 housing opportunities.)
3. Urbanisation is probably the biggest challenge facing the city. We are developing a medium to long term strategy for this.
4. The City has acquired 210 ha of land at a cost of R154 million for its medium term housing programme. Most of the land is along the West Coast Corridor between Parklands and Atlantis.
5. We have established an Anti Land Invasion Unit to protect vacant land from illegal land invasion. Illegally invaded land is often intended for families on the City's housing waiting list. We will not allow the housing waiting list to be jeopardised by people who illegally occupy land. This unit operates on a 24/7 basis..
6. Plans to refurbish rental units in existing townships and to create new sustainable living environments are well advanced. Phase 1 will benefit 7 775 families at an estimated cost of R900 million over the next 5 years.
7. The City's GAP Housing Programme is progressing well. It has been reviewed to include persons with a household income between R3 500 – R10 000.

8. Significant progress has been made on the Informal Settlement Upgrade Strategy. A number of Temporary Resettlement Areas (TRA's) and Incremental Development Areas (IDA's) have been and are being planned. This is a short to medium term intervention to assist people in emergency situations such as fire and flood.
9. The City has spent 99.6% of its 2008/09 National Housing (DORA) Allocation of R550 million and received a clean audit.
10. I will be embarking on a Campaign to increase the communications between the City and the citizens that are often ignored. In this roadshow I hope to visit over 70 wards in order to gauge the issues that our people are experiencing. I would appreciate the support from the business sector. I am sure if a few of you attend some of these public meetings you will be able to identify gaps in the market for business opportunities.

The City is proud of its unqualified audit by the Auditor General. We know we work with ratepayers' money. We take this responsibility very seriously. We have open tender processes and we do not tolerate crime, corruption and fraud in our ranks.

The guiding principle for the City is infrastructure-led development. Our aim is to maintain current infrastructure and to upgrade or replace the old. We are also planning ahead for the City's future needs. We want to avoid the Eskom experience.

Hosting the 2010 World Cup will provide the city with major infrastructure benefits. The estimated value of public sector investment alone is R12 billion. This includes the new stadium in Green Point, airport and rail link upgrades, road interchange upgrades and the long-term roll-out of an Integrated Rapid Transit system. My colleagues, Deputy Mayor Ian Neilson, and Mayoral Committee member for Transport, Elizabeth Thompson will tell you more about this.

As a City government, we are looking way into the future. Our residents must know there is a long-term blueprint for the kind of city we want to live and work in in thirty years' time. We have to compile an overall master-plan, a road map for the future.

Some of the questions this plan must pose and answer are: Where should we build? Where should we densify our housing? Where should we direct development and where limit it? How do we reduce our energy needs and carbon footprint? How should our transport systems work? What is our competitive edge as a tourism, business, creative, industrial, technological city?

The plan must turn Cape Town into a global city. It must guide our choices and decisions. Some of the decisions will be tough. We must use opportunities, manage risks and protect our unique environment.

This master plan, the City Development Strategy, is work in progress. The City will not only consult, as we play an important facilitating role between stakeholders in the City, but also ask for your help once it is ready for public input

We all work hard and rush about with our daily business. When I pause and show visitors our city, I rediscover its beauty and its wonderful people and it makes me proud. We have to be honest about our problems. We must be resourceful and committed in tackling them. But we cannot but remain inspired by this city we call home.

Thank you.