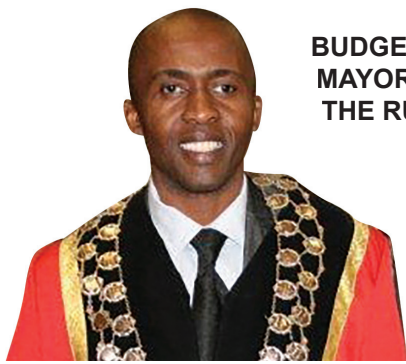




## BUDGET SPEECH DELIVERED BY CLLR MPHOKHUNOU, THE EXECUTIVE MAYOR OF RUSTENBURG LOCAL MUNICIPALITY, ON 12th JUNE 2018 AT THE RUSTENBURG CIVIC CENTRE, COUNCIL CHAMBER:

Madam Speaker, I am humbled by the opportunity to once more present the Medium-Term Revenue and Expenditure Framework (MTREF). The presentation of the 2018/19 MTREF takes place during an important year in our country. It takes place not long after the country celebrated the attainment of 24 years of freedom and democracy.

We are greatly moved by the legacy of our founding President Nelson Mandela and the revered matriarch Albertina Sisulu whose centenary anniversaries continue to illuminate this year. Their selflessness, commitment and unwavering dedication to our country should inspire all South Africans to work tirelessly towards building a truly prosperous, democratic, non-racial and non-sexist country as espoused in the Freedom Charter.

During the course of 2018 we lost a number of eminent South Africans. We continue to pay tribute to Mama Winnie-Madikizela Nomzamo Mandela for her contributions to the liberation of this country. We also recognise the contribution in our region of stalwarts and veterans such as Nancy Khunou who served as a Councillor and in the National Council of Provinces, John Pilane and Mr. Shimane Bopalamo.

We have recently laid to rest, the first democratic Mayor of Rustenburg Transitional Local Council Mr Dawid J. Davids. During his prime time Mr Davids played several roles in the community as a leader, sportsman and a teacher. He was a well-loved community leader, whose dedication and hard work uplifted the lives of others. He was a dedicated cadre, a veteran of the African National Congress, South African National Civic Organisation and South African Communist Party, a selfless leader and revolutionary, who served with dedication and excellence to the end.

May their souls rest in eternal peace.

The only way of truly honouring their immense contribution to freedom and democracy is to remain steadfast in improving the quality of the lives of our residents particularly in the rural areas.

In his speech, during the tabling of the 2018 COGTA vote, Minister Dr. Zweli Mkhize stated that "Local government is an important sphere of government because it is closest to the people. Everything happens in a municipality and in a ward. It is where our people live, work and play. The municipalities also have a key role to play in nation building and social cohesion. They must lead in the reversal of apartheid spatial planning and coordinate an integrated response of all stakeholders and give local communities a voice and respond to their service delivery needs".

"Municipalities need to ensure good governance for effective use of public resources and create conditions for investment promotion, economic growth, job creation, the elimination of poverty and inequality and to achieve citizen satisfaction as well as to create attractive conditions for investment flows" close.

Madam Speaker, we share the sentiments and support the goals expressed by the Minister of COGTA in his budget speech. The 2018/19 MTREF presents an unambiguous statement of our determination to achieve these goals.

Madam Speaker, as we near the end of the current financial year, it is necessary to reflect on some of the key achievements of the Municipality and challenges in our journey of becoming a truly "World Class City where all communities can enjoy a high quality of Life and Diversity".

Madam Speaker, the plight of poverty of our people demands of government to heed the call to accelerate programmes and projects to bring about significant improvement in the quality of their lives.

The city is actively working towards mitigating these challenges through various employment and business opportunities. These include the established panel of emerging contractors (Grade 1 to Grade 4), the panel of contractors grade 5 upwards (aimed at being 100% local over the MTREF), the establishment of ward-based co-operatives anticipated to deliver over 450 job opportunities and 90 co-operatives that will be tasked with grass cutting, cleaning, waste collection, EPWP work opportunities through the EPWP grant, panel of event organisers (which currently is 90% local event organisers) to highlight a few. The budget will become a strategic tool focused on creating opportunities for the local SMMEs. The Framework on Transformational

Leadership together with the preferential procurement policies remain the key resources aimed at addressing the imbalances of the past.

Implementation of Legacy Projects including other strategic projects identified through the 2040 LED Masterplan and approved Precinct Plans is currently underway. Expressions of Interest have been issued and some already appointed for the following Legacy Projects and precincts:

- Fresh produce market
- Education Hub
- Phatsima Precinct
- Lethabong Precinct
- Monnakato Precinct
- Boitekong Precinct
- Tlhabane Precinct

Additional Legacy projects under way include the facilitation of Township Establishment for the Farm Town and Townlands 272 JQ, which has been identified for industrial development and will include the Logistics and Mining Supplier Park. The municipality is making progress in the development of green economies through waste to energy projects from the rehabilitation of Townlands landfill site, development of the Tourism Gateway Convention Centre and Hotel, development of the Rustenburg Airport and the establishment of a University/Education precinct through partnerships with interested public and private sector stakeholders.

Monitoring of the implementation of approved private sector developments is being conducted on the following projects:

- Tlhabane Mall Development by PIC worth about R1.4 billion
- Safari Investment Mixed-use Development worth about R3 billion
- Bellevue Mixed-use Development worth about R600 million
- Rustenburg Extension 30 Mixed-use Development

The municipality has also issued Request for Proposals for the Revitalization of the Showgrounds targeting private sector investment on a long-term lease basis. A Catalytic Projects Fast-Tracking Committee has been established to deal with accelerating local economic development through a transparent and organised process. We have also crafted the Incentive policy and the bulk contributions policy aimed at promoting trade and investment in Rustenburg.

The municipality has interacted with more than 1000 Small Medium and Micro Enterprises through various platforms as part of a new, more aggressive approach of promoting sustainable growth of the sector. Additional informal trading spaces have been identified. The municipality is also involved in the capacitation of co-operatives across all the wards. This initiative is done in conjunction with Absa Bank.

Additional programmes underway includes the Vuk'uphile programme which is aimed at developing up to 20 local contractors to obtain higher CIDB grading. This is to enable them to graduate and favourably compete with established contractors. In addition, the municipality is empowering up to 45 cooperatives through community development facilities maintenance and waste management programmes.

The municipality has made noteworthy progress in implementing 30% Local Content policy. We are also pleased to report that we facilitated the appointment of local contractors for sub-contracting opportunities in projects including the RRT Construction. A Draft Contractor Development Policy has been developed to enable sustainable and consistent implementation of this policy. Additional programmes are under way which includes collaborating with the private sector to identify sub-contracting opportunities for local businesses. A panel of local businesses will be established for supply of consumable commodities supply such as electricity supplies.

A programme to track job creation opportunities through the municipality's capital projects and other initiatives has been created with a specific focus on the following:

- RRT construction
- Roads capital projects and maintenance
- Human Settlements construction projects
- Technical infrastructure capital projects (electricity, water and sanitation)
- Waste removal
- Facilities maintenance
- Open spaces projects
- Flea market development
- Rustenburg Showgrounds revitalisation
- Informal trading stalls construction
- Catalytic projects implementation

Plans are also being finalised to implement an Agricultural support programme to revitalise the sector in Rustenburg.

### TECHNICAL AND INFRASTRUCTURE SERVICES

Madam Speaker, we remain committed to the provision of quality basic services to all residents in the city. In order to achieve this goal, we have taken decisive steps towards implementation of the Water and Sanitation Master Plan. In line with the approved Masterplans the following projects are provided for in the 2018/19 MTREF:

- The upgrading of Bospoort Water Treatment Plant from 12 ML/day to 24 ML/day to assist with the water shortage and improve water provision at Boitekong, Meriting, Paardekraal, Sunrise View, Freedom Park, Seralleng, Sondela.
- Construction of storage tanks at Rankelenyane, Maumong, Lekgalong and Mathopestad to improve water supply to communities of Rankelenyane, Maumong, Lekgalong and Mathopestad.
- The implementation of the Water Conservation and Water Demand Management project is in progress. The project is aimed at reducing water losses by prioritising pressure reducing control and management by installations and servicing.
- PRV's, installation of telemetry system to automatically monitor reservoir levels, installation of bulk meters to enable the municipality to do water balancing, replacing of old infrastructure pipelines and improving water quality.

### SANITATION SERVICES

We are pleased to announce that the municipality completed construction of 2850 units through the Macharora VIP toilets project in April 2018. The upgrading of the Boitekong WWTW is in progress while the upgrading of the Monakato WWTW has recently started. The municipality has improved on Green Drop Assessment scoring medium to low average risk rating.

### ELECTRICAL SERVICES

Madam Speaker, we have recently completed and energised the Waterkloof substation which will relieve the current overloading at Industries substation. In ensuring that our electricity supply network remain stable and sustainable and to avoid regular electrical outages, three 33/11kV substations have been refurbished and upgraded, namely Noord, Donkerhoek and Boschdal substations together with refurbishment of part of the 33Kv and 11Kv network. These upgrades are aimed at catering for the increasing demand and for the protection of the network.

### PLANNING AND HUMAN SETTLEMENTS

The municipality is also currently reviewing the Spatial Development Framework through funding from the HDA. This is critical as it provides for the spatial planning for the entire city. In support of the BRT project, there are plans in place to build rental housing developments along the BRT route. There is a huge demand for rental stock in the city and we believe that through this initiative with SHRA and private sector we can support the success of the BRT project.

### FINANCIAL VIABILITY

Madam Speaker, with regards to improving the financial health of the municipality and to ensure that there is sustainable provision of services, it is worth noting that we are making significant progress in replenishing the capital replacement reserve (CRR). Building on the progress we have made this year, we expect to improve our liquidity ratio to a more acceptable level over the 2018/19 MTREF.

A number of important steps have been taken this year as part of the drive to improve the financial standing of the municipality. These include the appointment of a panel of debt collectors, more aggressive implementation of credit control and incentives scheme on arrears. In order to address some of the challenges in our billing, we have initiated steps to modernise the system. These steps include the anticipated electronic billing presentment system and the roll out of smart metering solutions.

As part of the revenue enhancement strategy, the following plans will be implemented: complete outdoor advertising audit to deal with illegal advertising and the development of systems and processes to effectively manage the outdoor advertising. Draft Outdoor Advertising by-laws have been developed and await approval.

Madam Speaker, we continue to be concerned about some areas of wastage in the institution, which has the potential to undermine many of our current revenue enhancement initiatives. Most notably is the continued abuse of municipal vehicles which has a detrimental impact on the provision of services to the community. Management is tasked with putting plans in place to curb the abuse of vehicles over the 2018/19 MTREF. The latest audit outcomes which has remained the same as the previous financial year, remains an area of great concern. It is however



worth noting that the number of material findings have reduced from the previous financial year. The audit outcome indicates that a lot still needs to be done, in our pursuit of a clean audit outcome. Intensive work is being done at the moment, in terms of irregular expenditure so that action can be taken against officials implicated. It is extremely pleasing to note that a lot of work has been done in terms of the Post Audit Action Plan. For the 15/16 financial year 100% of management report findings have been addressed. With regards to the 16/17 financial year at least 65 % of management report findings have been addressed with the remainder being in progress.

Madam Speaker, we continue to remain committed to ridding the municipality of the scourge of fraud and corruption. At times this entails officials utilising municipal resources intended for the community for their own personal gain. This commitment is affirmed through the appointments of forensic investigators sourced from the National Treasury database over the 2017/18 financial year. To date there are 10 (ten) officials that are undergoing disciplinary processes based on the outcomes of the forensic investigations concluded.

### PUBLIC SAFETY

Madam Speaker, a lot work has been in Public Safety in the area of drug trafficking, human trafficking and traffic enforcement.

We need to constantly be reminded of the untimely death of a community member, Gareth Roberts, who was fatally shot when he was fighting off robbers in defense of the victims of hijacking by the same suspects. It is also important to also pay our respects to all victims of crime and affected families. It is also important to commend the tremendous work done by Public Safety, Planning and Human settlement, Community development, Infrastructure and Technical Services as well as SAPS in reducing crime levels.

Through this collaboration the following successes were realised:

- Sixty-Nine (69) houses have been identified as problematic and not complying with the Municipal By-Laws and Building Regulations. These houses are being monitored and subjected to weekly joint operations. Some of these houses were closed and fines meted out against the owners.
- About Thirty-seven (37) Guest Houses were also used for drugs and human trafficking and some were operating without approval from Planning and Human Settlement. Most of these houses have been closed.
- School searches were conducted in about eleven (11) schools since September 2017 to minimise drug abuse and violence in schools. Schools that are affected are, amongst others, Rauwane High School, President Mangope Technical High School, Thabiso Secondary School, and Tlhabane Technical High School.
- Furthermore, eleven (11) Educational Institutions were visited to check their legality in so far as their accreditation is concerned. Since September 2017 until April 2018, the Municipality staged more than seven (7) marches against social ills such as drug and human trafficking. Faith based organisations, community-based organisations, and other government departments took part in these marches.
- Visible progress has been realised in the establishment of the Boitekong Contact Point. This contact point was established after the community of Boitekong complained that the police station is distant. Since September 2017 to April 2018, the following services were provided;
  - Number of complaints/incidents attended; fifteen (15)
  - Affidavits: three hundred and forty-four (340)
  - Certified copies: three thousand five hundred and sixteen (3516)
  - Joint Operations: fourteen (14)
  - Contact Points are established to create a strong basis for decentralisation and regionalisation of Public Safety services.

### EXCHANGE PROGRAMMES

Consequential to similar dynamics with the Mogale City Local Municipality, an exchange programme was entered into between the two cities. This was promoted by the proximity of the two cities and the experience of violent uproar that took place in these areas over the recent past. The main objective of this exchange programmes was to strengthen co-operation and intergovernmental relations with specific focus on Operation Fiela.

### MUNICIPAL COURT

The Municipal Court is fully functional and covers two magisterial districts of Rustenburg and Bafokeng. Since July 2017 to April 2018;
 

- Total Court roll: 13520
- Total warrants: 9236
- Total cases struck of the roll: 4277
- Total admission of Guilt: 362