

Continuation of Mayor’s Budget Speech

LICENSING AND TESTING

Madam Speaker, the municipality has just completed the renovations of the Marikana Licensing and testing station with the purpose of decentralising Public Safety Services. The engagement with the Provincial Department of Community Safety and Transport Management to provide IT equipment and to operationalise the centre in July 2018 will soon bear fruits. Since January 2018 to April 2018, one thousand seven hundred and one (1701) Learners licenses and three thousand four hundred and thirty-five (3435) driving licenses were issued. Ten thousand seven hundred and seventy-eight (10778) vehicles were registered and thirty thousand eight hundred and fifty eight (30858) were licensed at the registering Authority.

TRAFFIC SERVICES

The Traffic Infringement Management System has been procured and this will improve the performance of Traffic Services. The directorate will be able to use the electronic system to recoup the outstanding traffic fines. About forty (40) Point duty officers have been appointed to alleviate traffic congestion during peak hours on the routes that are affected by road construction in the CBD. Thirty-four (34) schools were registered for the Learners Licence Project. The intention of the project is to encourage learners to apply for learners and driving licenses so that we realise the reduction of driving without a licence and accidents on the road. Seventeen (17) schools are registered for scholar patrol to take road safety education to our schools. The municipality is in a process of upgrading our weighbridge so that Traffic Unit can be able to track and crackdown on those trucks that are overloaded.

EMERGENCY SERVICES AND DISASTER MANAGEMENT

Madam Speaker, recently our Fire Training Academy was accredited. One (1) Fire instructor and three (3) Fire safety inspectors have been appointed. The Disaster Management Plan and Fire Service Brigade By-law have been reviewed. The Directorate is in the process of procuring fire trucks for Phatsima Firehouse through a grant from the Provincial Government.

SECURITY CHALLENGES FACING THE MUNICIPALITY

Madam Speaker, it is important to note that some of the key challenges we face are mainly land invasion and illegal occupation of municipal properties.

The municipality has established a Conflict Resolution Committee to address all these challenges that affect the stability of the city. This committee has been sanctioned by council and it is important that it gets the support it deserves from all councillors. The Directorate is in the process of formalising the establishment of the Land Invasion Team.

ROADS AND TRANSPORT

Madam Speaker, we would like to thank all residents and business owners for their patience as we approach the completion of the construction phase of the RRT project. About 40 SMMEs benefited during construction to the tune of R130 million rand. About 437 jobs were created in the project in the last financial year.

KEY STAKEHOLDER ENGAGEMENTS

Madam Speaker, the Municipality is currently working on the Mining Engagement Framework which will improve engagement with mines and other stakeholders. At this point we are in a process of consulting with the relevant stakeholders for comments and recommendations. The statutory alignment of this framework is aimed at providing a platform for investment opportunities, economic growth, poverty reduction and infrastructure development. We are currently engaging with the mines on discussions beyond SLPs.

Our relationship with the Traditional Authorities of Rustenburg is stable. The municipality has managed to build strong relations with four tribal authorities. Significant progress has been made over the short period of the current municipal council.

THE MACRO ECONOMIC ENVIRONMENT

Madam Speaker, The vision of Rustenburg still remains to be “World Class City where all communities can enjoy a high quality of Life and Diversity” and continues to define the chosen development path of the city. In preparing the 2018/19 MTREF it was critical that there was alignment between this vision, the strategic goals as enshrined in the revised IDP and supported by a credible and funded 2018/19 MTREF budget. The 2018/19 revised IDP marks the second year of the 2016/21 municipal council term.

In balancing the 2018/19 MTREF it was critical that we ensure that the effects and impact of the global environment are factored into the preparation of a credible and realistic budget aimed at alleviating the pressures that are experienced by our people. At a macro level, the global economic recovery

provides a supportive environment for South Africa to expand trade and investment, but domestic constraints that have reduced business confidence stand in the way of accelerated growth.

The improved outlook for the world economy, premised on a concurrent rise in economic activity in both advanced and emerging economies, is expected to sustain robust growth in global import volumes and to provide the basis for a solid performance by South Africa’s export sector over the short- to medium-term.

Unfortunately, the same does not apply to domestic demand conditions. Constrained household budgets and concerns over the economic climate as well as employment prospects will continue to affect the ability and willingness of South African consumers to increase spending in a meaningful manner, at least in the short-term. South Africa’s GDP is expected to grow by 1.9% in 2018 and 2.0% in 2019. The country’s economic outlook has improved notably since February 2018 and a credit rating downgrade by Moody’s was averted. Nevertheless, the implementation of economic reforms is necessary to foster faster growth and sustain the ongoing recovery.

The economic, social and physical characteristics of Rustenburg remain largely determined by the presence of mining activities within the municipal area. Mining activities are mainly concentrated along a geological belt, known as the Bushveld Complex. Rustenburg’s economy contributes 21.1% to the GDP of the North-West Province and 1.28% to the GDP of South Africa which had a total GDP of R4.34 trillion in 2016. The Rustenburg local economy is expected to grow at an annual average of 3.04% over the MTREF.

Madam Speaker, the mining sector continues to make up 74.6% of the key economic sectors and contributes to 35% of employment opportunities in the city. The current unemployment rate is estimated at above 26.5% which remains a huge concern given the volatility of the mining sector. Due to persistent pressure on the platinum price, Rustenburg’s economy remains under severe pressure. This reality serves to reinvigorate our efforts to promote economic growth and diversification. A lot of work has been done and will be done to implement numerous projects contained in the Integrated Development Plan (IDP) together with the 2040 LED Masterplan. A key strategic focus of the budget is to intensify this work over the 2018/19 MTREF period, thereby growing the local economy with special attention on diversification.

Madam Speaker, we remain optimistic that these efforts will go a long way to ameliorate massive job losses that have ravaged the city’s economy. It is for this reason, that the budget pays more attention to high quality infrastructure development such as expansion of our road infrastructure, and augmentation of bulk services such as water and electricity as well as sanitation. We believe that this approach is consistent with the National Development Plan, as well as other national strategic policies and legislative imperatives.

In the preparation of the 2018/19 MTREF, we remain aware of the pressure that both the global and local economy presents on the attainment of the commitments advanced over the MTREF and the pressures that such policies, and tariffs presented in the budget will have on the both the residents and the business community of Rustenburg. Marginal growth over the past 3 years on disposable income have been experienced by households and this has resulted in a negative impact on the collection rates of the municipality and ultimately places risk on the financial sustainability of the municipality.

Madam Speaker, a key consideration when preparing the budget was the anticipated decline in National Treasury future allocations due to a shrinking fiscus which calls for “business unusual” over the MTREF. We are intensifying revenue enhancement strategies to boost efficiencies in the revenue value chain. The latest innovations in technology will be employed in addressing some of the challenges.

Madam Speaker, below I provide an overview of the key highlights of the 2018/19 MTREF for consideration by this August house: A consolidated budget of **R5.6 billion** has been proposed for the 2018/19 MTREF with R5.7 billion and R6.1 billion respectively for the two outer years. The anticipated surplus in year one of the budget is R0.51 billion in 2018/19, R0.50 billion and R0.57 billion in the two outer years respectively. The consolidated budget comprises a capital budget of **R0.82 billion** in 2018/19, R0.69 billion in 2019/20 and R0.72 billion in 2020/21. This budget is achieved through levying of an average increase of 7.1% across the various service categories of the municipality and capital grants and transfers from the National Treasury fiscus.

Madam Speaker, as indicated in my earlier remarks there is a key focus on diversifying

the economy and below are the main areas of improvement in terms of local economic development:

Over the 2018/19 MTREF an allocation of R200m for the upgrade of both the Industries and Voltaire substation together with the 33KV and 11KV network to ensure the sustainability of supply to both residents and the business community has been made. This is also supported by an increase in the repairs and maintenance allocation for the maintenance of existing infrastructure so as to ensure preventative maintenance on a continuous basis.

It should be noted that vandalism and theft remain a challenge and threat to our infrastructure. Even though the municipality has made an allocation of R14 million for securing our infrastructure over the 2018/19 MTREF, we call upon our community to assist the municipality by reporting cases of theft and vandalism.

PLANNING AND HUMAN SETTLEMENTS

Madam Speaker, the land audit will be undertaken in 2018/19 to establish true ownership of the land. This will assist during planning and other spatial restructuring processes. It will make it easier for the municipality to identify areas which are suitable for human settlement. This is in response to addressing human settlement backlogs that currently exist. A total allocation of R481m over the 2018/19 MTREF has been set aside through the Human Development Settlement Grant (HSDG) grant for the city to assist with the current housing backlogs. These projects are delivered through our sister department of Human Settlements and Local Government and will go a long way in alleviating the pressures from the “mushrooming” of informal settlements driven by urbanisation.

The municipality through the HSDG will be delivering BNG units in Dinnie Estates and Seraleng over the 2018/19 MTREF. These projects are geared at giving access to decent housing as well as improving tenure. There are additional new units envisaged through the Bokamoso project over the MTREF. In addition, township establishment processes are currently underway for Popo Molefe and Mbeki Sun informal settlements.

FINANCIAL VIABILITY

The leasing of fleet for use in rendering service delivery is not cost effective. Allegations of impropriety in the leasing of vehicles needs to be thoroughly investigated by MPAC as well as the Financial Disciplinary Board. We are pleased to indicate that in line with the directive given during the approval of 2017/18 adjustment budget, the process of acquiring our own fleet is at an advanced stage. Having followed due supply chain processes, a service provider has been appointed to provide 13 Cabstars to be utilised for provision of services in directorates of technical infrastructural services and community development services. We expect the delivery of these vehicles over two months.

We have also reached an agreement with the National Treasury to participate in transversal tenders. This will allow us to acquire new vehicles as per the allocation of R123 million made in the 2018/19 MTREF. We expect to replace most of our aged municipal fleet through this collaboration. This will eliminate the leasing of municipal fleet, with possible exception to yellow fleet in the next two months. Advance work has been done in terms of appointing an auctioneer. This will help to dispose of our aged fleet which is currently too costly to maintain.

COMMUNITY DEVELOPMENT

Madam Speaker, as the municipality we are proud to say our Air Quality has improved, more especially in the areas closest to the mines. This effort has been realised through appropriate application of the Air Quality Management System. The introduction of new landfill sites has improved waste management throughout the city. Taking into consideration our commitment to developing a safe and clean city, additional budget has been allocated to purchase more equipment which will assist in grass cutting.

Furthermore, the municipality has taken a resolution to introduce a new waste collection system which will be implemented in the poor communities. This initiative will create income opportunities and improvement in the recycling industry. Efforts to minimise illegal dumping include appointment of co-operatives that will be responsible for grass cutting, cleaning and waste collection in all wards. We will enlist the services of about 90 co-operatives which we anticipate will create more than 400 job opportunities.

During the IDP/Budget review consultations, request for sports opportunities appears as one of the top 5 requests. As such the municipality will in the next financial year increase its sports grounds maintenance activities. For sporting activities, partnerships with different national and provincial sporting code federations will see increased municipal support to our local teams. Amongst the list of improvement areas is the library services. Library services have been expanded through



campaigns which have benefited not only children but elderly people. In addition, four wards that were not provided with any library services will see a mobile library service being offered in those areas. Targeted areas in this regard include Rankelenyane and Freedom Park.

CORPORATE SUPPORT SERVICE

Madam Speaker, we continue to remain concerned about some of the challenges resultant from the lack of productivity of some of our employees. Over the 2017/18 financial year it has become clear that there are deep rooted challenges relating to the human capital of the municipality which has contributed negatively to the levels of productivity of the employees. There are various factors which have been identified as contributing to the low morale of employees. In addressing some of these the following measures are being put in place:

- Disparities in job positions and grading are being addressed through the review of the organisational structure that is at an advanced stage and is intended to serve at council before the start of the 2018/19 MTREF. Support has been sourced from SALGA to assist with the grading of all positions within the institution.
- Job descriptions have been developed and updated. Job evaluations are scheduled to be done during the September- November 2018 period.
- All HR Policies have been developed and others reviewed and will serve at council end June 2018.
- The process of cascading of performance management agreements with unit managers is completed and will be followed by that of section managers, which management anticipate completing prior to close of financial year. Cascading to all staff will be completed in the third quarter of the 2018/19 MTREF. This will improve performance of the employees and will ensure that the municipal administration hold them contractually accountable.
- Turn-around time for filling of vacancies is being adhered to.
- Recruitment of senior management is 85% completed with only two senior positions outstanding. These positions will be filled prior to close of financial year 2018/19.

A change management process is currently underway where specialists have been sourced to assist, firstly, with organisational diagnosis in order for management to have a clear indication of factors affecting organisational performance and thereafter to provide a programme of change that will be implemented Directorate per Directorate over the 2018/19 MTREF with the objective of changing the current culture of the institution and ultimately lead to a positive contribution that will result in the attainment of the Batho Pele principles governing standards of performance in local government.

ROADS AND TRANSPORT

The process of procuring the bus fleet has commenced and we anticipate launching the first service of YARONA Bus in early 2019 and to further increase its coverage by launching full phase 1 and 2 in the next 3 years.

Madam Speaker, in conclusion, we continue to make a clarion call to all our stakeholders and residents that we all need to work together in pursuit of our vision to be a world class city. It is also important to acknowledge the various inputs that were made during the public participation process, which preceded the compilation of the final IDP and Budget Document. I wish to assure you that all your inputs were taken into account and have greatly enhanced the final product.

I would like to acknowledge the mammoth effort which has gone into the entire IDP process, a special word of appreciation goes to the municipal manager and her team and all our councillors. As the minister of COGTA indicated in his budget speech “Local Government is everybody’s business”. The pursuit of our vision to become a world class city is everybody’s business in the entire city.

Madam Speaker, I think it would be appropriate to take a page from the late icon Nelson Mandela and pause on these words, “I have walked that long road to freedom. I have tried not to falter; I have made missteps along the way. But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come. But I can only rest for a moment, for with freedom come responsibilities, and I dare not linger, for my long walk is not ended.”

With these words, I hereby present the 2018/19 MTREF and I thank you.