

RUSTENBURG

LOCAL MUNICIPALITY

M I N U T E S OF THE (06/2018S) ***SPECIAL COUNCIL*** MEETING OF THE RUSTENBURG LOCAL MUNICIPALITY HELD ON TUESDAY 12TH JUNE 2018 AT 10:12 IN THE COUNCIL CHAMBER, UPPER LEVEL, CIVIC CENTRE, RUSTENBURG.

PRESENT

Cllr Mabale-Huma S S K	- Speaker
Cllr Khunou M E	- Executive Mayor
Cllr Babe N B	
Cllr Bothomane P	
Cllr Coetzee D	
Cllr Chauke O	
Cllr Damoyi M	
Cllr du Plessis G J	
Cllr Edwards I	
Cllr Gegula D	
Cllr Habi A S	
Cllr Jongela A S	
Cllr Kgaladi LP	
Cllr Kombe O J	
Cllr Lekoro B F	
Cllr Letlape SM	
Cllr Lerm M F E	
Cllr Mafoko S D	
Cllr Makhaula V N	
Cllr Malan PA	
Cllr Malinga M	
Cllr Malla AD	
Cllr Mashishi-Ntsime J I	

SSK

Cllr Masilo T I
Cllr Masondo NG
Cllr Mataboge A L
Cllr Megalanyane ST
Cllr Mhlungu SBM
Cllr Miny C
Cllr Mjekula E N
Cllr Mmolotsi C N
Cllr Moatshe F S
Cllr Mohube M M
Cllr Mokgatle O O
Cllr Mokotedi K G
Cllr Mokwele L P
Cllr Molubi J N
Cllr Monageng V N
Cllr Moraka S S
Cllr Morei K B
Cllr Mosoeu S M S
Cllr Mqanqeni N V
Cllr Nel D

Cllr Ngwato J D
Cllr Njikelane M
Cllr Nkgoang L I
Cllr Nongqoqo M I
Cllr Omarjee M
Cllr Pelesi K L
Cllr Phillips C
Cllr Rantho M R
Cllr Seleka A
Cllr Sephai J L
Cllr Snyders L B
Cllr Tlhapi P A
Cllr Tsamai A
Cllr Tshabalala T E
Cllr Tsienyane P
Cllr Wolf J
Cllr Webster N
Cllr Wolmarans S D
Cllr Xatasi N S
Cllr Xhinela Z

SSK

OFFICIALS

Ms Sithole N	-	Municipal Manager
Ms Massyn M	-	Acting Chief Finance Officer
Mr Mashile K	-	Director: Technical & Infrastructure Service
Ms Rampete N	-	Director: Community Development
Mr Moleele O	-	Acting: Director Roads & Transport
Mr Matshego D	-	Acting Director: Planning and Human Settlement
Mr Komane E	-	Director: Local Economic Development
Mr Pholose A	-	Acting Director: Corporate Support Services
Mr Kotsedi S S	-	Director: Public Safety
Mr Khumalo O J	-	Sergeant-at-arms: Public Safety
Mr Molotsane L	-	Manager: Legal and Evaluations
Ms Hlatwayo L	-	Manager: Office of the Speaker
Mr Kgosimore P	-	Manager: Office of the Executive Mayor
Mr Jansen van Vuuren J	-	Section Manager: Administration Administrative Support Services
Ms Manthata J M	-	Supervisory Typist: Administrative Support Services
Ms Khunou N	-	Admin Officer: Administrative Support Services
Ms Mokwatsi R	-	Admin Officer: Administrative Support Services
Ms Dintwe T	-	Admin Assistant: Administrative Support Services
Ms Letshwithi M	-	Admin Assistant: Administrative Support Services
Ms Mogakwe K	-	Typist: Administrative Support Services
Mr Mkhuzangwe S	-	Council Interpreter

SSK

(ii)

INDEX

NO.	HEADING	CC
159.	Tabling of the Final 2018/19 Integrated Development Plan (IDP) Review for the Rustenburg Local Municipality	CC
160.	Tabling of Final 2018/19 Medium-Term Revenue and Expenditure Framework (MTREF)	CC
161.	Municipal Infrastructure Grant (MIG): 2018/19 Implementation- and Procurement Plan	CC
SSK		

(1)

159. **TABLING OF THE FINAL 2018/19 INTEGRATED DEVELOPMENT PLAN (IDP)**
REVIEW FOR THE RUSTENBURG LOCAL MUNICIPALITY - CC
(Office of the Municipal Manager) (MSP)

PURPOSE OF THE REPORT

The purpose of the report is to table to the Council the final revised 2018/2019 Integrated Development Plan (IDP) for adoption (attached as "*Annexure A*") and to obtain approval to publicise the adopted document.

RESOLVED:

ACTION

- | | |
|---|-----|
| 1. That the Report on Tabling of the Final 2018/19 Revised Integrated Development Plan (IDP) of Rustenburg Local Municipality is noted; | CC |
| 2. That all sector plans be reviewed over the 2018/19 MTREF; | ALL |
| 3. That the final 2018/19 revised Integrated Development Plan (IDP) of Rustenburg Local Municipality is approved ; | CC |
| 4. That the MEC of the Department of Local Government and Human Settlements be furnished with the copy of the final approved 2018/19 IDP within ten (10) days upon the approval by Council in accordance with section 32 of the Local Government Municipal Systems Act, 32 of 2000; | OMM |
| 5. That the members of the Public be notified within fourteen (14) days upon approval by Council of the availability of the final approved 2018/19 revised IDP for their inspection at all Offices of the municipality and municipal website in compliance with section 25(4) of the Local Government Municipal Systems Act 32 of 2000. | OMM |

SSK

- IT BE NOTED THAT THE EXECUTIVE MAYOR TABLED THE BUDGET
SPEECH BEFORE DISCUSSION ON THE ITEM
---- THAT IT BE NOTED THAT A COPY OF THE BUDGET SPEECH WAS
DISTRIBUTED TO ALL COUNCILLORS
---- THAT THE BUDGET SPEECH IS ALSO ATTACHED TO THE MINUTES OF THE
SPECIAL COUNCIL (12th JUNE 2018)

160 **TABLING OF FINAL 2018/19 MEDIUM-TERM REVENUE AND EXPENDITURE
FRAMEWORK (MTREF) - CC**
(Budget and Treasury Office) MM/

PURPOSE OF THE REPORT

The purpose of this report is to table the final 2018/2019 Medium-Term Revenue and Expenditure Framework (MTREF) to Council for approval in accordance with section 24 of the Municipal Finance Management Act 56 of 2003 and the Municipal Budget Reporting Regulations (MBRR).

RESOLVED:

ACTION

1. That the multi-year annual capital and operating budget for the 2018/2019 financial year of R5.6 billion and the two outer years of (2019/20+2020/21) R5.7 billion, R6.1 billion and related policies and by-laws be ADOPTED as per the following tables as set out in A1 Schedule as Annexure A: -
 - Table A1 – Budget Summary
 - Table A2 – Budgeted Financial Performance
 - (Revenue and expenditure by standard classification) CC
 - Table A3 – Budgeted Financial Performance
 - (Revenue and expenditure by municipal vote)
 - Table A4 – Budgeted Financial Performance
 - (Revenue and Expenditure)
 - Table A5 – Budgeted Capital Expenditure by Vote)
 - (Standard classification and funding)
 - Table A6 – Budgeted Financial Position
 - Table A 7 – Budgeted Cash Flows
 - Table A8- Cash backed reserves / accumulated Surplus reconciliation
 - Table 9 – Asset Management
 - Table 10 – Basic Delivery measurement
2. That the budget as proposed including the budget for the Rustenburg Water Services Trust is adopted; CC
3. That Council note that for the 2018/19 MTREF the revenue and expenditure budget proposed has surpluses of R513.6 million, R504.8 million and R565.5 million over the 2018/19 MTREF; CC
4. That all consumptive tariffs, rates, basic charges as per “Annexure “B” be approved and implemented as from the 1st July 2018; CC

SSK

(3)

5. That all the sundry tariffs and other tariffs per *Annexure "B"* be approved and implemented as from the 1st July 2018; CC
6. That the unspent conditional grant at end of 2017/18 not be committed to expenditure until approval has been obtained from National Treasury in accordance with the directives; OMM
7. That the following proposed budget related policies with be adopted for implementation on 01 July 2018. Policies are attached as *Annexure "C"*. CC
- 7.1 Budget related policies and By-Laws with Amendments
- Property rates
 - Tariffs policy
 - Assets Management Policy
 - Budget Policy
 - Supply Chain Management Policy
 - Credit Control and Debt Collection Policy
 - Funds and Reserves Policy
 - Indigent Policy
 - Travelling and Subsistence
 - Study Aid Policy
- 7.2 Budget related policies with no amendments
- Cash Management and Investment Policy
 - Rewards, Gifts and Favour Policy
 - Framework for Accelerating Economic Transformation
 - Borrowing Policy
 - Property rates By-Law
 - Tariffs By-Law
- 7.3. The following policies have been merged with other approved policies:
- The Liquidity Policy is consolidated with the Funds and Reserve Policy
 - The Inventory Management Policy is consolidated with the Supply Chain Management Policy as Annexure 2 page 11-128.
- 7.4 New Budget related policies CC
- Commitments Policy
 - Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy
 - Cost Containment Policy
8. That Accounting Officer be authorised to initiate procurement process to acquire the long-term borrowing and that the Accounting Officer should invite the Public, the National Treasury and the relevant Provincial Treasury to submit written comments or representations to the Council in respect of the proposed debt; OMM

SSK

(4)

- | | | |
|-----|--|------------|
| 9. | That MFMA circular no 89 and 91 from National Treasury be considered as Annexure "E"; | CC |
| 10. | That the approved 2018/19 Medium Term Revenue and Expenditure (MTREF) Forecasts both in printed and electronic formats be submitted to National Treasury and Provincial Treasury; | MM |
| 11. | That the approved (MTREF) Budget together with the tariffs, budget related policies be placed on the municipal website and be published in terms of Section 21A and 21B of the Municipal Systems Act as well as the MFMA and applicable regulations; | BTO |
| 12. | That a Procurement Plan be revised in line with the Municipal Infrastructure Grant (MIG) Implementation Plan; | BTO |
| 13. | That a progress report on Key Performance Indicators contained within the Service Delivery and Budget Implementation Plan (SDBIP) be submitted at Portfolio level on a monthly basis and to Council on a bi-monthly basis; | BTO
OMM |
| 14. | That table SA23 be amended to reflect the remuneration of the Manager in the office of the Single-Whip. | BTO |

FORUM FOR SERVICE DELIVERY (F4SD) RAISED THE FOLLOWING RESERVATIONS:

- 1. FAILURE TO COMPILE THE ITEMISED BUDGET IN COMPLIANCE WITH MSCOA;**
- 2. OVERBURDENING THE MUNICIPALITY WITH DEBT;**
- 3. BADLY MANAGED PROCUREMENT PROCESSES AND PERFORMANCE MANAGEMENT;**
- 4. FAILURE TO SUBMIT A REPORT ON IMPLEMENTATION OF THE BUDGET AND STATE OF MUNICIPAL FINANCE WITHIN 30 DAYS AT THE END OF EACH QUARTER TO ENABLE COUNCIL OVERSIGHT IN TERMS OF REGULATION 6.1 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS;**
- 5. OVER OPTIMISTIC CAPITAL BUDGET WITH POOR CAPEX PLANNING AND UNDER SPENDING ON CONDITIONAL GRANTS.**

66K

161 **MUNICIPAL INFRASTRUCTURE GRANT (MIG): 2018/19 IMPLEMENTATION-
AND PROCUREMENT PLAN** - CC
(Office of the Municipal Manager) FN/

PURPOSE OF THE REPORT

The purpose of the report is to present to council the Municipal Infrastructure Grant (MIG):
2018/19 Implementation – and Procurement Plan.

RESOLVED:

ACTION

- | | |
|---|-----|
| 1. That the report on <u>MUNICIPAL INFRASTRUCTURE GRANT (MIG):
2018/19 IMPLEMENTATION PLAN</u> is noted; | CC |
| 2. That the MIG 2018/19 Implementation Plan is noted; | CC |
| 3. That the MIG 2018/19 Procurement Plan is noted; | CC |
| 4. That the implementation of the MIG spending be done in strict accordance
with the PPPFA and that the report be submitted to every Council meeting
with regard to implementation of the 30% minimum of local content. | OMM |

ESK

(iii)

4. **APPROVAL OF MINUTES:**

Minutes of the (06/2018S) Special Council meeting of the Rustenburg Local Municipality, held on **12th June 2018**.

5. **CLOSURE.**

The business of the meeting was concluded at 13:10.

SSK

(i)

1. OPENING AND WELCOME:

- 1.1 It be noted that the meeting was opened with a prayer by Cllr Moraka S S and thereafter the Honourable Speaker welcomed all members present, including members of the community in the public gallery.
- 1.2. It be noted that the Honourable Speaker introduced the newly appointed Manager in the Office of the Speaker Ms Linda Hlatshwayo.
- 1.3. Ms Hlatshwayo L was introduced in the IDP Representative Forum that was held during the week and the Honourable Speaker introduced her again to the Community and to the Councillors who did not attend the IDP Representative Forum meeting.

2. APPLICATION FOR LEAVE OF ABSENCE:

- 2.1 That application for leave of absence of all EFF Councillors as applied by Cllr Setshoane F L, be noted.
- 2.2 That application for leave of absence be granted to the following Councillors: Mnisi B P and Venter P A G
- 2.3 Cllr Chauke O requested to be released at 11:00 as she is not feeling well.
- 2.4 Cllr Tsamai A requested to be released at 14:00.
- 2.5 Cllr Miny C requested to be released at 15:00 if Council is still in process.
- 2.6 Cllr Edwards I requested to be released earlier to fetch her husband who will be discharged from hospital.

3. REPORT: Attached

SSK

(iii)

4. **APPROVAL OF MINUTES:**

Minutes of the (06/2018S) Special Council meeting of the Rustenburg Local Municipality, held on 12th June 2018.

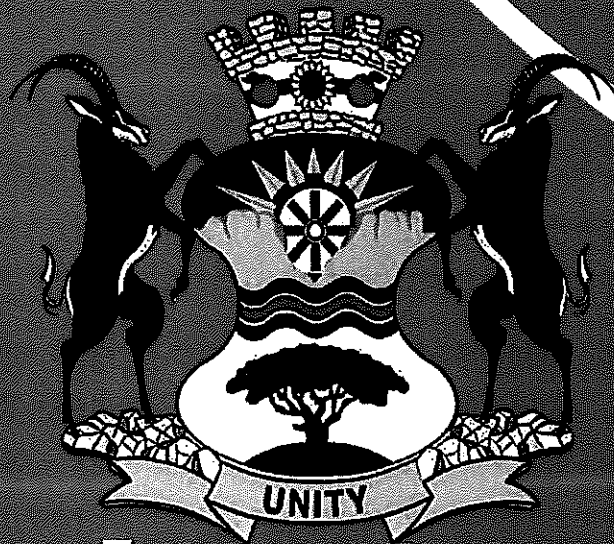
5. **CLOSURE.**

The business of the meeting was concluded at 13:10.

SPEAKER:

A handwritten signature in black ink, appearing to be 'D. Shange', written over a horizontal line.

DATE APPROVED: 13/06/2018



Budget Speech

2018/19

RUSTENBURG LOCAL MUNICIPALITY

Rustenburg
Local Municipality



A world class city where all communities enjoy a high quality of life...!

BUDGET SPEECH DELIVERED BY CLLR MPHOU KHUNOU, THE EXECUTIVE MAYOR OF RUSTENBURG LOCAL MUNICIPALITY, ON THE 29th MAY 2018 AT THE RUSTENBURG CIVIC CENTRE, COUNCIL CHAMBER:

Madam Speaker	Cllr Sheila Mabale-Huma
Single whip	Cllr Amos Mataboge
Members of the Mayoral Committee	MMCs
Leaders of all Political parties in Council	Various
Fellow Councillors	Various
Municipal Manager and Senior Management of the Rustenburg Local Municipality	Ms. Ngobile Sithole
Traditional Leaders	Various
Leadership of Business, Labour and Civil Society	Various
Fellow residents of Rustenburg Local Municipality	All
Distinguished Media	All
Ladies and gentlemen	All

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 excellency 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 quote.

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 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 Logistics and Mining Supplier Park. Municipality is making progress in the development of green economy through waste to energy project 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.

Catalytic Projects Fast-Tracking Committee has been established to deal with accelerating local economic development through a transparent and organized 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 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 programme.

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 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 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 revitalization
- Informal trading stalls construction
- Catalytic projects implementation

Plans are also being finalized to implement an Agricultural support programme to revitalize 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, Seraleng, 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 installing 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 Water Quality.

SANITATION SERVICES

We are pleased to announce that the municipality completed construction of 2850 units through 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 SETTLEMENT

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 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 smart metering solutions.

As part of 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 previous financial year, remains an area of great concern. It is however worth noting that the number of material findings has 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 has been 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 organisation, community-based organisations, and other government departments took part in these marches.
- ✓ Visible progress has been realised in the establishment of 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 strength 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

LICENSING AND TESTING

Madam Speaker, the Municipality has just completed the renovations of 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's 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 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 Learners Licence Project. The intention of the project is to encourage learners to apply for learners and driving license 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. 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 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 recommendation. 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 discussion 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 in 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 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 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 expansion of our road infrastructure, augmentation of bulk services such as water electricity as well as sanitation. We believe that this approach is consistent with the National Development Plan, as well as other national strategic policy 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 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 of 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 municipality by reporting cases of theft and vandalism.

PLANNING AND HUMAN SETTLEMENT

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 restructure 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 settlements 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 the advanced stage. Having followed due supply chain processes, a service provider has been appointed to provide 13 (thirteen) cabstars to be utilized for provision of services in directorates of technical infrastructural services and community development services. We expect the delivery of these vehicles over the two months.

We have also reached an agreement with the National Treasury to participate in transversal tender. This will allow us to acquire new vehicle 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 appointment of 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 Air Quality Management System. The introduction of new landfill 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 recycling industry. Efforts to minimize illegal dumping include appointment of co-operatives that will be responsible grass cutting, cleaning and waste collection in all wards. We will enlist the services of about 90 co-operatives which we anticipate 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 at 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 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 (three) 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 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 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.**