

**OPEN COUNCIL IDP/BUDGET SPEECH PRESENTED BY HIS WORSHIP MAYOR OF
BLOUBERG LOCAL MUNICIPALITY, COUNCILOR MASEKA SOLOMON PHEEDI: 29
MAY 2019 KWARUNG SPORTS GROUND WARD 14**

Madam Speaker

Members of the Executive Committee

The Chief Whip of the majority party and other Whips

Chairperson of the Municipal Public Accounts Committee

Fellow Councillors

All Traditional Leaders

Municipal Manager and senior managers

All Ward Committees & CDW's

Members of the Community

Business Community

Representative of Sector Departments Present

All municipal officials

Ladies and Gentlemen

Madam Speaker, Africa month celebrations are drawing to a close. We in South Africa have celebrated this month in style. The inauguration of the 6th President of the Republic of South Africa President Cyril Ramaphosa was held on Africa Day, the 25th May 2019 at Loftus Stadium in Pretoria. African Heads of states, former Presidents of South Africa,

Ambassadors descended to Pretoria to mark this important day in South Africa and Africa as a whole.

Madam Speaker, our democracy has stood the test of time and we must be proudly South African. The South Africans have renewed the mandate for the African National Congress to lead South Africa once more. This is a result of clear leadership that the ANC has provided to South Africa, Africa and the world at large. Its **“Thuma mina”** time and let us be counted in giving service to the people. Like President Ramaphosa has said during his inauguration **“Lets us drive away the guns, hunger, unemployment, inequality out of Africa. Let us continue to contribute to the fulfilment of an African dream. “**

TABLING OF IDP/BUDGET 30 DAYS BEFORE START OF THE NEW FINANCIAL YEAR & BUDGET RELATED POLICIES (PAGE 257-423)

In terms of section 16 (2) of the Municipal Finance Management Act, Act 56 of 2003, the Mayor of the Municipality must table the annual budget at a council meeting at least 30 days before the start of the budget year.

The budget of the municipality was prepared taking into consideration the Municipal Budget and reporting regulations, the National Treasury circulars and the inputs from the provincial treasury made during budget benchmarking session held. The application of sound financial management principles for the compilation of the municipality’s budget is essential and critical to ensure that the municipality remains financially sound and that the municipality is able to provide services to all communities in a sustainable manner.

This area remains one of the most critical as it deals with sustainability of the municipality. The revenue collection is the lifeline of the municipality and as the municipality we do not have reliable sources of revenue. The following are the key main sources of revenue: **electricity, traffic and licensing, assessment rates and grants** from national treasury. The municipality however has challenges in the area of revenue collection. As a result the Municipality has implemented a variety of revenue collection strategies to optimize the collection of debt owed by consumers and also circulating its credit control and debt

collection policy. The Revenue Management Committee has been established to deal with revenue collection issues and also taking it from Finance Minister during his budget speech that says - National Treasury will lead a process to encourage those, including government departments, who owe money to municipalities, to pay for services.

The Provincial Treasury made the following inputs during budget engagement in order for the municipality to have a sound and credible budget.

- The Provincial Treasury advised that the Blouberg Local Municipality must improve revenue collection particularly on the source of property rates.
- The Blouberg Local Municipality should prioritise budget for repairs and maintenance.
- The collection rate assumption should be re-assessed.
- There should be controls in place for expenditure management through implementation of measures such as cost containment.

The above inputs are therefore considered and will be prioritised

Madam Speaker, after adoption of the draft IDP/Budget on the 29 March we rolled out a massive Community and stakeholder engagement programme. People have raised issues on the Draft IDP/Budget that have sharpened our ideas and plans. These include amongst others the following;

- Hlokego ya meetse,
- Ditsela tše di kaone,
- VIP toilets,
- Dintlo,
- No Network coverage in certain areas
- Hlokego ya mešomo bjalo bjalo

On the basis of our engagements with our communities and stakeholders, we had to rework the IDP/Budget in order to respond to issues raised by Communities. All sector

issues raised during consultations will be referred to relevant sector departments and IGR Forums. All water and sanitation issues are dealt with by the Capricorn District Municipality.

Madama Speaker, Today we are tabling IDP/Budget 2019/20 for approval as follows:

1. Environment and Waste Management

Madam Speaker, with regards to matters of Waste and Environment, it is anticipated that 210 EPWP casual workers will be employed for the upcoming financial year. The referred to casual workers will come in handy with regards to the following: Litter picking, Waste Collection, Park, Cemetery and Street Maintenance. Such endeavors have the capacity to reduce one of the most prevalent triple challenges being unemployment.

Madam Speaker, it should further be noted that even with our scarce resources, we still provide waste collection services in the following areas; Senwabarwana CBD and Township , Dilaeneng, Ga-Mareis , Avon, Indermark , Kromhoek ,Devrede, Burgrecht , Motlana, Eldorado , Taaibosch , Longden, Grootpan and Alldays. We further hope that the District Municipality will offer us more vehicles and /or equipment to enable us to extend services to other areas since we have major backlogs in that regard.

Madam Speaker, the management of Senwabarwana Landfill site is satisfactory, however there are still prevalent challenges relating to both Alldays landfill site and Taaibosch transfer station. It is heartening to note that the budget has been set aside for completion of the referred to projects in the next financial year. The District municipality has also made a commitment to the effect that they will financially assist with management and operation of the Senwabarwana Landfill in the next financial year, we indeed are grateful and laud their efforts in trying to preserve our environment. In collaboration with Department of Mineral Resources and CDM, we intend putting more impetus on by – law enforcement on illegal

sand mining and related activities that put more strain on the environment. CDM also undertakes to provide 80 job opportunities in relation to Alien Plant Eradication project at Brana and Rammutla and we are hopeful that budget allowing, the district will further make a similar offer in other areas to remove plant that severely damage the ecosystem around the municipal area.

1.2. 2019/20 Environment and Waste Management Programmes have their votes allocated as follows:

- Alldays landfill site R 1,5 M
- Senwabarwana landfill site R3,3 M
- Tractor and Chassis R 350 000
- EPWP Programme R 3 M
- Tree planting R 75 000
- Parks fencing & beautification R 200 000
- Alldays Cemetery R350 000

2. BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT

2.1. ELECTRIFICATION

- Senwabarwana sub-station R 10 M
- Energy efficiency programme R 6 M
- Electrification of extensions 5M
(Villages Thorpe, Milbank, Arrie, Silvermyn, Kgokonyana, Innes, Nailana, Mosehleng, Diep sloot, Motadi, Gedion, Siaz & n Witten)
- Conversion of meters at Alldays R 200 000

2.2. TARRING OF INTERNAL STREETS

- Senwabarwana Internal streets and storm water R 4 127 743
- Avon phase 5 R 16 509 104
- Kromhoek phase 5 R 17 920 036

2.3. MAINTENANCE BUDGET

Madam Speaker, maintenance of infrastructure remains key to increasing the lifespan of our infrastructure development and public facilities hence the following allocations:

- Asphalt cutter R 70 000
- Road marking machine R 100 000
- Concrete mixer R 65 000
- Ride on double drum compactor roller R40 000
- Road maintenance R 350 000
- Maintenance of Equipment R 1 060 000
- Municipal facilities R 440 000

3. COMMUNITY SAFETY AND TRAFFIC SERVICES

- Madam Speaker, with regard to the Department of Community Services, we are pleased to announce the resuscitation of street committees throughout the municipal jurisdiction. We envisage that this will go a long way in quelling the upsurge of criminal activities around the municipal area. We further urge our communities to take complete charge of their livestock as they contribute to high accidents rate in our municipal roads. We hereby make a bold pronouncement that all the stray animals will be impounded when found in public roads.

- Madam Speaker, in relation to traffic law enforcement, the municipality operates on a very skeletal staff of only fifteen permanent officers and as a result, that affects negatively on our revenue collection given the vastness of our area. It should be taken into cognizance that a budget has been set aside for enlisting of the traffic interns and that their stipend will be significantly increased as per the budget allocation. It is our wish to employ more traffic officers, though budgetary constraints inadvertently impede our efforts.
- Madame Speaker, we also made strides with regard to the licensing division where services have been evolved to Alldays and Eldorado and in both instances, learners' and drivers' licenses are tested while PRDP (popularly known as public license) are renewed. We have also been found to be compliant with regard to National Road Traffic Management K53 Manuals and have also developed and successfully implemented all findings of inspections conducted. We also hope to extend provision of such licensing services to both Raweshi and Tolwe offices.

Madam Speaker, with regards to

4. SPORTS, ARTS AND CULTURAL PROGRAMMES, We found it prudent to budget as follows:

- Senwabarwana Sports complex R 2 075 617
- Sports Development R 200 000
- Mayor' Cup R 550 000
- Mayor' Marathon R 100 000
- Employee wellness programme R 950 000
- Heritage programmes R 150

- Cooperspark community hall R 300 000
- Towerfontein crèche R 1 720 000

5. GROWING BLOUBERG ECONOMY AND CREATING JOBS

Madam Speaker there is a national call for all role players to join hands in an effort to grow the economy and create jobs

5.1. ENTERPRISE DEVELOPMENT INITIATIVES

- Madam Speaker, the constitution of the Republic of South Africa, Act 108 Of 1996 section 154 states quiet implicitly that local government has a constitutional mandate to improve social and economic development. In respect of this mandate the municipality must ensure that it plays a pivotal role on SMME's development. As a consequence of this mandate the municipality forged a partnership with Venetia mine to incubate our SMME's. From 2017/18 up until 2018/19 financial years, 33 entrepreneurs were part of the incubation program which entailed intensive business management skills training and mentorship. Equal to that, some of the entrepreneurs who were incubated received funding from NYDA to grow their businesses as well as improving sales.
- Madam Speaker, we have also forged a partnership with UN Women to train entrepreneurs on related general business management such as records keeping and costing. The program is already implemented and will end during 2021.
- Madam Speaker during this current financial year the municipality provided financial support to two SMME's namely **Dithebele MN Clothing** and **Botala Temong Farming**. A borehole and fencing materials were procured for Botala Temong Farming owned by a young male farmer residing at Borkum in ward 08 whereas we are still awaiting the delivery of embroidery machinery for Dithebele Clothing operating in the Sebwarwana Industrial Area.

- Madam Speaker, let me also applaud the Department of Rural Development and Land Reform for the continuous support of our local farmers. From last year December 2018 to date, the department purchased a 5 ton truck for **Rampedi Piggery** at Vienna in ward 01 and also purchased tractors, trailers, boom sprays discs harrows and other related implements to a young female farmer by the name of **Mahlatse Matlakana at Ga - Kibi Village, Whisky Moaba at Avon Village and Tswelangpele Primary Cooperative at Burg-en-dal Village.**

5.2. MINING DEVELOPMENTS

- Madam Speaker, let me indicate that there will be a huge mining developments in the south part of the Blouberg area. There is Platinum Group Metals (Waterberg JV) which will be mining platinum however, the company is still awaiting a response from the Department of Mineral Resources to release a mining rights permit. The Waterberg JV has also signed a Memorandum of Understanding with CDM to implement bulk water supply in the mining communities (Kgatlu, Lewaneng, Oldlongsyn). This development will inject R9 billion as an investment to the Blouberg area. The mining company envisages to commence with mining construction by 2021. The investment will indeed have a potential to grow the economy and create jobs.
- Madam Speaker, we have a signed Social and Labour Plan with Venetia Mine to implement some of the community projects for a period of five years. A budget amounting to **R32, 914, 508** has been set aside for implementation of SLP projects until 2022. Those projects are amongst others water supply projects for Alldays and Taaibosch, construction of Health Centre at Ga Kibi and market stalls for Senwabarwana and Alldays.

5.3. POVERTY ALLEVIATION PROGRAMMES

- Madam Speaker, according to Statistics South Africa results of 2011, the municipality has 39, 2% unemployment rate and a chunk of this percentage is the youth. According to research conducted by Global Insight, 38.7% of the Blouberg people are living under food poverty line and this depicts that most of the residents are still caught up in the poverty trap. Furthermore, the economic growth forecast

shows that the Blouberg economy will grow at an average annual rate of 2,47% from 2016 to 2021. As a municipality, we need to come up with robust interventions, which will serve as a panacea towards poverty eradication. In order to reduce poverty, the municipality will employ **200** EPWP workers and **1201** CWP participants including the site staff.

5.4. GROWING BLOUBERG TOURISM

- Madam Speaker, Research has shown that the municipality has a competitive advantage in terms of tourism. So far, we have developed a Tourism Composite Guide with the purpose of promoting and marketing our heritage resources. Last year in September, we launched tourism month in style and we plan to launch it as part of our annual tourism events. As a municipality, we will continue to support Heritage Day celebrations events held at our traditional authorities.

5.5. ATTRACTING INVESTMENTS TO OUR MUNICIPALITY

- Madam Speaker, the municipality is planning to host its first LED Summit in the next financial year wherein different stakeholders will be invited to share information on how the municipality could realize economic development and growth that will create jobs. Through the LED Summit, the municipality will be in a position to better understand the challenges and realities it faces in its pursuit of excellence in service delivery. This summit will eventually attract future investments. Currently we have secured an investor who will be constructing a mall in Senwabarwana town at erf 300 where the old show ground is located. The developer will inject **R350million** for this huge development. The construction of a mall will start in 2021. More jobs will be

created and this will help to reduce unemployment as per the Stats SA results, 2011. The development is an arrangement on lease agreement, which will last for a period of 99 years.

5.6. BLOUBERG MUNICIPALITY ASSIGNED POWERS TO REGISTER BUSINESSES

- Madam Speaker, let me share this good news to the Blouberg community especially business fraternities that in the next financial year the municipality will be registering all businesses for licensing as LEDET assigned powers and function to local municipalities hence the Council approval. In fact the responsibility should have been long given to local municipalities as required by Limpopo Business Registration Act, 2003 (Act No 5 of 2003)

5.7. SPATIAL PLANNING

- Madam Speaker, in terms of spatial planning the municipality has appointed three service providers to do township establishments on three farm portions namely BOCHEM 145 LS, BOCHUM 178 LS and portion 4 (remaining extent) of the farm ALLDAYS 295 MS. 500 sites will be demarcated from each farm portion wherein the total will be 1500.
- Madam Speaker, as much as we appreciate the appointment of town planners for township establishments project we still have a serious challenge in respect of land

invasions by some of our community members. This project will in one way or the other respond to the challenge and put an end to these illegal land grabs.

Hereunder follows a brief synopsis of the budget allocations:

6. ON INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT PROGRAMMES

- R 1M for public participation
- R 4,2 million for Ward Committees support
- R 500 000 for IDP/Budget review process
- R 450 for performance management
- R 4 million for external audit.

7. ON SPECIAL FOCUS & HIV/AIDS PROGRAMMES

- HIV/Aids programme R200 000.
- Youth programmes : R 250 000
- Disability programme : R 150 000
- Children programmes : R 100 000
- Gender programmes : R 100 000

8. FREE BASIC SERVICES

- Free basic electricity R 1,4M
- Free basic waste removal R 500 000 M

9. SUMMARY OF 2019/20 BUDGET

Madam Speaker, the overall budget for 2019/20 financial year is as follows:

The annual total Budget Revenue for the 2019/20 financial year amounts to **R 333.1 million**, made up with the own revenue of **R 74.5 million** and the grant of **R 258.5 million**. There is an increase as compared to last year's budget of **R 70.1 million** and **R 241.3 million** respectively.

The annual Budget Operating Expenditure for the 2019/20 amounts to **R 311, 6 million**. The operating expenditure has increased as compared to 2018/19 financial year due to annual increase on salaries and inflation rates. The operating expenditure for the outer years has increased as well. The municipality has eliminated spending on non-priority items or activities to give way for service delivery priorities. The operating expenditure includes non- cash items, which caused a deficit as the municipality, given the fact that it is rural in nature, is unable to absorb these items through tariff setting considering the level of poverty and affordability.

The total Capital Budget for 2019/20 amounts to **R 69.5 million**, which equals to the total operating budget, and has increased as compared to the 2018/19 financial year (**R55.6**). In the outer years, the amount totals **R 79.2** for 2020/21 and **R84, 9 million** for 2021/22.

Madam Speaker, We therefore table the 2019/2020 IDP/Budget in terms of Municipal Systems Act of 2000, Municipal Finance Management Act of 2003 and Municipal Budget Report Regulations for adoption. We further submit the following Budget Related Policies for adoption.

- **Indigent Support Policy** – Indigent policy, for the 2019 /20 the indigent policy threshold was **R 3,400** per household, but for the 2019/20 the indigent policy threshold will be revised to **R 3 560**.
- **Tariff Structure and Policy** – in 2019/20 the tariff increase will be **6%**, which is aligned to circular 93 and 94.
- **Credit Control and Debt Collection Policy.**
- **Debtors impairment and write-off policy**
- **Budget Policy**
- **Investment Policy**
- **Assets Management Policy**

- **Supply Chain Management Policy**
- **Cash Management Policy**
- **Fund Reserve Policy**
- **Property Rates and By-Law Policy**
- **MFMA CIRCULAR No.93 and 94- Municipal Budget circular for 2019/20 MTREF**

10. ORGANISATIONAL STRUCTURE 2019/20

Madam Speaker .The Organisational structure will remain in its current form. The process will be finalized in due course considering processes of job evaluation et cetera.

MADAM SPEAKER, WE FURTHER REQUEST THAT COUNCIL CONSIDER THE FOLLOWING REPORTS WITH THEIR PAGE NUMBERS HEREUNDER INSERTED AS FOLLOWS;

11. REPORTS ON SALARY INCREASE IN BARGAINING COUNCIL LEVY (PAGE 6-7)

Council approve 6, 5 % bargaining council levy with effect from the 01 July 2019

12. REPORT ON SALARY INCREASE FOR 2019/20 MUNICIPAL EMPLOYEES (PAGE 8-10)

Council approve implementation of salary 6, 5 % salary increase for all SALGBC employees with effect from the 01 July 2019.

13. REPORT ON ICT SECURITY POLICY (PAGE 11-19)

Council Approve ICT security policy

14. REPORT ON REVIEWED CHANGE MANAGEMENT POLICY (PAGE 20-35)

Council Approve reviewed change management policy

15. REPORT ON REVIEWED EPWP POLICY (PAGES 246 – 257)

Council approve the Reviewed EPWP Policy

16. REPORT ON CONSTITUTIONAL COURT RULING ON MUNICIPAL SYSTEMS ACT AMENDMENT ACT NO 7 OF 2011(36-83)

Council consider the ruling and its effect to application Municipal systems Act of 2000

17. REPORT ON DECISIONS TAKEN BY EXECUTIVE COMMITTEE (PAGE 84-87)

Council note progress with regard to the decisions taken by Executive committee and Council

18. REPORT ON RISK MANAGEMENT (PAGE 88-201)

Madam Speaker, we further recommend Council approve the following documents:

- Strategic risk assessment report together with the risk register
- Fourth Quarter Risk Management Implementation Plan
- Incident register

19. REPORT ON APPROVAL OF THE DRAFT RATES POLICY 2019/20 (PAGE 202)

Madam Speaker, in terms of the Local Government: Municipal Property Rates Act 6 of 2004 and Local Government Municipal Finance Management Act 56 of 2003, Section 3(1) and Section 62(1) respectively, a municipality has to develop and adopt a rates policy. The policy must be consistent with the applicable legislation mentioned for purposes of implementing the levying of rates on ratable properties within the municipality's boundaries. Therefore, we bring to your attention **the amended rates policy for Council approval.**

20. REPORT ON COMPILATION OF SUPPLEMENTARY VALUATION ROLL 2019/20(PAGE 203)

Madam Speaker, Blouberg Municipality has developed general valuation roll for the financial year 2016-2021. Section 78 of Local Government requires the municipality: Municipal Property Rates Act, 6 of 2004, to develop a Supplementary Valuation roll for each financial year, I therefore table the **Supplementary Valuation roll for 2019/20 for approval by Council.**

21. REPORT ON THE DEVELOPMENT OF PRECINCT PLAN FOR ELDORADO BY CDM (PAGE 202-245)

Madam Speaker, the Capricorn District Municipality commissioned the development of a Precinct Plan for the rural settlement of Eldorado which is one of the Nodal points of the Blouberg Spatial Development Framework. The draft document has been submitted to the municipality for final comments and inputs. Madama Speaker I therefore **recommend that Council provides comments and inputs on the document before its approval to ensure that the framework is in line with the development strategies of the municipality.**

IN CONCLUSION

Madam Speaker, let me take this opportunity to thank you for the opportunity to table the 2019/20 IDP/Budget. Like I said in the beginning. ***It is Thuma mina time. Let us all roll our sleeves and join hands to Grow Blouberg Municipality together.***

Ke a leboga

CLLR MASEKA PHEEDI

MAYOR; BLOUBERG LOCAL MUNICIPALITY