

**ORDINARY OPEN COUNCIL SPEECH PRESENTED BY HIS  
WORSHIP MAYOR OF BLOUBERG LOCAL MUNICIPALITY,  
COUNCILOR MASEKA SOLOMON PHEEDI: 29 MARCH 2019  
AT MASHIANE SECONDARY SCHOOL, LEOKANENG  
VILLAGE**

**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**

**Municipal Manager and Senior Managers**

**All Traditional Leaders**

**All Ward Committee & CDW's**

**Members of the Community & Various Stakeholders Present**

**Representative of Sector Departments Present**

**Chairperson of Audit Committee**

**Representative of Auditor General South African**

**All Municipal officials**

**Ladies and Gentlemen**

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Honourable Speaker, despite the mammoth task of the National and Provincial elections which is left with 38 days to be precise, I am aware that in the main, my major task today, without reducing the importance of other items, is to present to this council as recommended by the Executive Committee the 2019/2020 Draft IDP/Budget which requires council to resolve on it, to be published in the local print media for public comments.

Before I can dwell into today's business, Madam Speaker, allow me to congratulate our own Bafana Bafana for their qualification to the Africa Cup of Nations which will be commencing in the month of June in Egypt. I believe this is going to be a good reward after the May national elections. We will have all the reasons to be glued to our television screens in the cold winter month since our country will be involved and participating with the other 23 qualifying nations in the African continent.

Madam Speaker, I want to make a clarion call to all the political parties in South Africa, especially those that will be participating in coming National & Provincial elections, to please tolerate other political parties, stop being provocative to others, refrain from removing posters which are not yours; and may we all adhere to the Electoral Act in all respects. South Africa as a peaceful country, is respected throughout Africa and the entire universe when it comes to having free and fair elections.

Madam Speaker, on behalf of this municipality allow me to pass our heartfelt condolences to the family of Inkosi Mangosuthu Buthelezi, who lost his wife, as well as Chief Whip of the ANC, Jackson Mthembu for the loss of his daughter. Lest we forget cyclone Idia which severely struck Mozambique, Malawi and Zimbabwe. We urge everyone with assistance in any form to work with Aid Agencies to help them recover from the disaster. Our condolences also go to the victims of the Ethiopian international airline wherein 157 people perished. May Their Souls Rest In Peace!!

Madam Speaker, we are a municipality at work. During the long weekend of the 21<sup>st</sup> to the 23<sup>rd</sup> of March we gathered the young and the old people of our municipal jurisdiction, from the four corners of Blouberg, and they came out in large numbers. For the whole three days, the community of Blouberg, in particular the young boys and girls took part in the activities of the Mayor's Cup. I can without hesitation declare that, this year's Mayor's Cup was a resounding success. To all of you who took part in the event, from the organisers to the participants, Thank You Very Much!! To the losers, thank you very much, because had you not been there, there wouldn't be any winners. I believe you learnt a lesson or two from your losses. To the winners congratulations.

Madam Speaker, I'd be failing in my responsibilities if I do not acknowledge and congratulate our employees for the sterling work they are doing. During the SALGA Provincial Peer Recognition Performance Awards we received the following:

- The Best Performing Municipality : MPAC
- The Best Performing Municipality : PUBLIC PARTICIPATION
- The Best Performing Municipality: SCHEDULE OF MEETINGS

That Madam Speaker, deserves a round of applause with a standing ovation. To the municipality's hard working employees, do not lose courage, we are watching you. Your efforts will not go unnoticed.

It is my wish that now that we have almost a full complement of the senior management, we start working on improving the municipality's audit outcome. It is reported that you are at more than 70% on addressing audit queries in the Action Plan. We want to read something different in the next Financial Year. If Bafana Bafana can do it, why can't we do it ?

Allow me Madam Speaker, to go to the business of today. It is common knowledge to all and sundry living in Blouberg that we are a landlocked municipality; since large parcels of land is in the hands of traditional authorities, land claims as well as private ownership: We have since been in serious discussions with Land Claims Commission for the speedy release of such land to its rightful owners. I am happy to announce that Alldays as one of the areas people have been itching to settle at, has been disposed of. Sites are now on sale and we would like to encourage our people to start buying now and not wait until they are finished. We are also in good talking terms with traditional leaders for the disposal of portions of land for residential purposes around the Bochum/Senwabarwana area. We also want to warn those who think they will continue to do land grabs, that no amount of noise will intimidate us, We are going to ensure that everyone abides by the laws of this country, You can take us to court, if we believe we are on our right of way, we will challenge that.

Madam Speaker , We are continuing to partner with other stakeholders in the area for the advancement of the Local Economic Development as enshrined in Chapter Seven of our Constitution, Venetia Mine is but one of the key partners in this regard. We also have a number of learnerships involved with imparting different skills to the young of Blouberg who are currently unemployed.

We also have a support team from AWOME (UN Women Agency) They are here to capacitate young female entrepreneurs in our municipality.

Also in the pipeline we have Platinum Group and Hacra Mine (Iron Veld) as Prospective Miners. That Madam Speaker , will to a great extent address the issues of unemployment within Blouberg and the surrounding areas.

Madam Speaker, we are aware of the service delivery mandate to municipalities. We have provided our communities with water, electricity, RDP houses and roads, but we still have a lot to accomplish. We are still putting our focus on addressing major service delivery backlogs.

Madame Speaker, despite us being the best in public participation, let me remind my colleagues in particular, the ward councillors to at all material times be in touch with their constituencies. I'm raising this at the backdrop of the Maleboho community uprising regarding their long outstanding demand for a 12km (D3278) road. To all the political parties, we are aware it is election time , but let us stop grand standing , let us stop campaigning on false promises, Lies have short legs. Let's tell the truth

### **Tabling the 2019/20 Draft Budget.**

#### **THE DRAFT 2019/2020 BUDGET**

The IDP/Budget Process Plan to review the 2019/2020 IDP/Budget was adopted by council in terms of the provision of the Municipal Finance Management Act. The process plan outlines the key deadlines for the preparation, tabling and approval of the annual budget.

Madam speaker, Section 16 of the Municipal Finance Management Act stipulates the following:

- (a) The Council of a municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.
- (b) In order for a municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 24 further stipulates that the Council must at least 30 days before the start of the budget year consider approval of the annual budget.

Madam speaker, This draft 2019/2020 Budget places emphasis on service delivery through the programme of capital expenditures, **13 households in the draft** budget will be electrified during 2019/2020 financial year and we put aside R10 million for substation in Senwabarwana .

This **2019/2020** Medium Term Revenue and Expenditure Framework, as in the previous financial years, a considerable effort has been put to align our strategic objectives with the budget and the IDP, as well as the maintenance of sound fiscal discipline for the attainment of efficiency, effectiveness and value for money.

**The following budgeting PRINCIPLES were applied in formulating the medium term budget:**

Realistic and achievable collection rates.

Sustainable, affordable and realistic

Major tariffs to be cost reflective, realistic and affordable

Budget to contribute to achieving strategic objectives of the IDP

The main **CHALLENGES** experienced during the compilation of the 2019/2020 MTREF are as follows:

National Treasury Austerity measures.

Huge backlogs and further demands due to urbanization.

Economic slowdown & unemployment: impacts on collection rates

Limited available own funding to fund much needed infrastructure

Madam Speaker, I present to this council the Draft **2019\20** budget revenue which amounts to **R324,2 Million**. This is an increase from the previous budget of **R312,0 Million** and represents an increase of **R 12,0 Million**. This has been caused by the increase on allocation grants. For the **2020\21** and **2021\22** financial years we present a budget of **R 361,8 Million** and **R387,7 Million** respectively.

Madam Speaker, I present to this council the draft **2019\20** budget expenditure which amounts to **R374,2 Million**. This is an increase from the previous budget of **R359,0 Million** and represents an increase of **R 15,1 Million**. For the **2020\21** and **2021\22** financial years we present a budget of **R 411,7 Million** and **R 434,1 Million** respectively.

The allocation of grants comes from the National Treasury as per DORA and comprises of Equitable Shares, Municipal Infrastructure Grant, Financial Management Grant and Integrated National Electrification Programme.

From own revenue generated sources the municipality relies mainly on, Assessment Rates, Development Fund, Sale of Electricity, Waste Management Services, Traffic Services, Sale of Sites, and other Revenue related sources.

Our own revenue amounts to R69,0 Million which constitutes less than 2% of the last year 's budget.

Madam speaker, an amount of **R68,8 Million** will fund our capital budget programme which shows an increase as compared with last year's Budget of **R 55,6 Million**.

We also table this budget speech and the following revised budget-related policies for consultations:

- Budget Policy
- Credit Control and Debt Management Policy
- Asset Management Policy
- Property Rates and By Law Policy
- Supply Chain Management Policy
- Investment Policy
- Fund Reserve Policy
- Debtors Impairment and Write-Off Policy
- Indigent Support Policy
- Tariffs Structure and Policy
- Cash Management Policy
- MFMA CIRCULAR No.93 and 94 -Municipal Budget circular for 2019/20 MTREF

From the above policies we want to make an emphasis on the following policies and want **council to resolve as follows:**

**Indigent Policy:**

- For the 2019\20the indigent policy threshold will be revised to **R 3,560** per household. We need to emphasize that the indigent status is not automatically granted but must be applied for. It depends upon an application by legible indigents with valid proof of their status.

**The Tariff Policy:**

**Property Rates and By Law**

In terms of section 3 Municipal Property Rates Act, the municipality must adopt a rates policy. In terms of the rates increase relating to property rates, it is proposed **that 6 per cent increase** be effected. We also add the following definition to the policy additions: Consent use, Council, Financial year, Ratable Property

**Sale of Electricity,**

Electricity tariffs will be **increased by 6%** after consultations have been concluded with NERSA as the process is currently underway though National Treasury circular outlined an increase which poses a threat to the sustainability of electricity function due to increases allowed for Eskom and Municipalities.

**Refuse and Other Revenue sources,**

In terms of MFMA Circular 93 and 94, National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price index (CPI) inflation has however, breached the upper limit of the 3 to 6 per cent target band; therefore, municipalities are now required to justify all increases in excess of the 6 per cent projected inflation target in their budget narratives.

Therefore, Municipal services tariffs will increase by 6 per cent of the services offered by municipality revenue sources e.g. Refuse removal, Advertisements, Animal pounds and Cemeteries.

### **Assets Management Policy**

The Office Equipment Useful life currently is 4-7 Years; we change it to 5 to 10 years as per Accounting policy.

We further present the Executive Committee report as follows:

#### **1. REPORT ON ACTING ARRANGEMENTS FOR THE POSITION OF DIRECTOR: TECHNICAL SERVICES**

**(Pages 25 – 38)**

Madam Speaker, Council had on the 14<sup>th</sup> December 2018 appointed the Mr. Maleka M.J. as Acting Director for the Department for a period not exceeding three months, starting from the 1<sup>st</sup> January 2019 up to the 31<sup>st</sup> March 2019. As per council directive, the position was re-advertised in Sowetan of the 05<sup>th</sup> March 2019 and the closing date thereof is the 30<sup>th</sup> March 2019. It therefore calls for council to appoint a person who will act in the position and we further hope that recruitment processes will be expedited. We hereby call upon **that Council appoints Ms Rabumbulu M.H as Acting Director for the Department of Technical Services for a period not exceeding three months from the 01<sup>st</sup> April 2019.**

#### **2. REPORT ON ESTABLISHMENT OF SHORTLISTING AND INTERVIEW PANELS FOR THE POSITION OF DIRECTOR: TECHNICAL SERVICES (Pages 39 – 47)**

Madame Speaker, We still reiterate that the Blouberg Municipal Council endorsed the report on the advertisement of the position of Director: Technical Services. As alluded to earlier, the referred to position was re-advertised on Sowetan national newspaper on the 05<sup>th</sup> March 2019 as well as on the municipal website as the regulation provides. In respect of legislation, local government implores us on the appointment and conditions of employment of Senior Managers, to establish shortlisting and interview panels to make recommendations for appointment of candidates to vacant Senior Managers' positions.

As guided by the attached regulations, we therefore recommend **that Council approves the report on establishment of shortlisting and interview panels for the vacant position of Director: Technical Services.**

### 3. REPORT ON JOB EVALUATION (Pages 48 -69)

Madame Speaker, Let me state outright that the Job Evaluation matter has bedeviled us for a long period of time. We are hopeful that we will this time round lay it to rest for our employees to get what is due to them. As a measure of background, please note that the TASK (**Tuned Assessment of Skills and Knowledge**) is the recognized system within the Local Government Sector as approved by the National Executive Committee (NEC) of the South African Local Government Association (SALGA). It is meant to enhance standardization and uniformity of the processes such as salary/wage bargaining, organizational development, sector skills plan, employment equity and the continuous education and development of employees in the Local Government Sector

In compliance with the provisions of the Municipal System Act 32 of 2000, which specifies in terms of section 66 as amended that:

A municipal manager, within a policy framework determined by the municipal council and subject to any applicable legislation

- Must develop staff establishment for the municipality and submit staff establishment to the council for approval ;
- Provide job descriptions for each post on the staff establishment; attach to those posts the remuneration and other conditions of service as may be determined in accordance with any applicable labour legislation;
- Establish a process or mechanism to regularly evaluate the staff establishment

With due consideration of all aspects entailed as attachments in your documents, we therefore urge **that council approves as follows:**

- i. **Implementation of the new salary scale (wage curve) by utilizing a system through which the “number of years of service and current pay” for individual employees will be considered in determining where they fit in the salary scale.**
- ii. **New employees be plotted from the bottom of the salary scale**

### 4. REPORT ON APPLICATION OF ADDITIONAL BUDGET AND ADDITIONAL WORK IN KROMHOEK INTERNAL STREET AND STORMWATER PHASE 3 (Page 70)

Madam Speaker, Council of Blouberg Municipality had approved the budget of **R 6,300,000.00** for implementation of the Kromhoek Internal Street and Stormwater Phase 3. In terms of National treasury MFMA Circular number 62 of 2003 on supply chain: Enhancing compliance and Accountability on management of Expansion of variation of orders against the original contracts dictates that, " Accounting officers of municipalities and municipal entities are advised that from the date of this circular contracts may be expanded or varied by not more than 20% for construction related goods and Services of the original value of the contract and infrastructure projects and 15% for all other goods and or services of the original value of the contract, furthermore anything beyond the above-mentioned threshold must be reported to council or board of directors." Given the attached background, we recommend that **council approves the variation order in respect of Kromhoek Internal Street and Stormwater Phase 3**

### 5. REPORT ON DRAFT RATES POLICY (Pages 71 -90)

Honourable Speaker, In terms of the Local Government: Municipal Property Rates Act 6/2004 and Local Government Municipal Finance Management Act 56/2003, Section 3(1) and Section 62(1) respectively,

a municipality has to develop and adopt a rates policy consistent with the applicable legislation mentioned for purposes of implementing the levying of rates on rateable properties within the municipality's boundaries.

The adopted rates policy sets out the broad policy framework within which the municipality rates its area and must, in accordance with Section 5 of the Municipal Property Rates Act, 2004, be reviewed, and where necessary, amended annually.

Blouberg Municipality will, as part of each annual operating budgeting process impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s).

Rateable property includes any rights registered against the property, with the exception of a mortgage bond. As a rule, all land within a municipal area is rateable unless it is specifically exempted in terms of Section 15 of the Municipal Property Rates Act, 2004. Council is hereby **requested to recommend publication of the Draft Rates Policy 2019/20 for public comments**

#### **6. REPORT ON DRAFT SUPPLEMENTARY VALUATION ROLL (Pages 91 – 175)**

Madame Speaker, it should be noted that Blouberg Municipality has developed a general valuation roll for the financial year 2016-2021. The municipality has as per section 78 of Local Government: Municipal Property Rates Act, 6 of 2004, developed supplementary valuation roll for financial year 2019/20 and a copy is herein attached. The said supplementary valuation roll needs to be advertised for public comments as per the Act. It is against the above background that we **recommend that Council approves publication of a 2019/20 Supplementary Valuation Roll for public comments**

#### **7. REPORT ON DRAFT SPATIAL DEVELOPMENT FRAMEWORK (Pages 176 – 368)**

Madame Speaker, this August house needs to be enlightened to the fact that the main objective of the project is to develop a Municipal Spatial Development Framework for the whole municipal area including areas under traditional authorities in order to fit within the legislative framework of SPLUMA. It must also respond to the policy/legislation parameters established by the National government (e.g. National Environmental Management Act (NEMA) and their respective regulations) and also make provisions for municipal spatial structure thus providing, in National Spatial Development Perspective (NSDP) terms, a framework within which to discuss future development of the municipal space economy in the context of the district, provincial and national space economies. The idea is to reflect municipal wards of severe need and areas of high resource potentials, areas of infrastructure endowment and areas of current and potential economic activity by describing key social, economic and natural trends and issues shaping the municipal geography. The Final Draft Spatial Development Framework is complete and needs to be publicized hence we **request Council to recommend publication of Spatial Development Framework for public comments**

#### **8. REPORT ON APPLICATION OF WAIVER FOR SALARIES OF NEWLY APPOINTED SENIOR MANAGERS (CHIEF FINANCE OFFICER, DIRECTOR: CORPORATE SERVICES AND DIRECTOR: COMMUNITY SERVICES). (Addendum)**



Madame Speaker, It should be recalled that Council appointed new Senior Managers who assumed their roles from the **01<sup>st</sup> August 2018** (Chief Finance Officer, Director: Corporate Services and Director: Community services). The appointed Senior Managers are remunerated at category 2 entry level (**R769 844**) plus 4 % rural allowance. Their current remuneration however, falls below some of the managers due to the challenge of salary creep at Blouberg Local Municipality Previously Council had successfully applied for waiver in respect of Municipal Manager and Director: Economic Development Planning to address a similar problem. The minister of CoGTA has duly approved the application of waiver in respect of the referred to senior managers. We therefore urge that Council:

- i. **Notes the Minister of CoGTAs' approval of application for waivers in respect of Chief Finance Officer, Director: Corporate Services and Director: Community Services respectively.**
- ii. **It further be noted that implementation thereof will take effect retrospectively from the 01 August 2018.**

**THANK YOU!!! RE A LEBOGA!!!!**