

THE 2020/21 STATE OF MUNICIPAL ADDRESS BY: MAYOR OF MASILONYANA LOCAL MUNICIPALITY, CLLR. K.S KOALANE AT KAPPS BANYANE COMMUNITY HALL ON THE 30 JUNE 2020

Honourable Speaker, Cllr D.E Modise
Honourable Chief-Whip, Cllr P.E Mabitla
Municipal Manager, Mr. Pule Tsekedi
Honourable Councillors
ANC and Alliance Leaders
Leaders of political parties
Religious leaders and all stakeholders
Esteemed guests and
Fellow residents

Molweni, dumelang, good day and goeie dag!!!

Thank you, Madam Speaker, Honorable Councilors and our fellow residents for this opportunity to address the august Sitting.

It is now over 100 days since the first case of coronavirus was identified in South Africa. Masilonyana has also recorded ten (10) positive cases of COVID-19 since the declaration of the National State of Disaster and the introduction of a nationwide Lockdown. COVID-19 has so far, cost our nation the lives of 2 292 people.

The following two projects were budgeted to be implemented in the next financial year however, due to COVID-19 they were reprioritised and had to be implemented in the current financial year on an emergency and contractors have been appointed for both projects:

- Verkeerdevlei/Tshepong: Upgrading of Oxidation Ponds for: R11, 098,224.60
- Brandfort/Majwemasweu: Refurbishment of Water Treatment Works and Pump Stations for: R8, 652,162.30

Honourable Speaker,

The pandemic has caused massive disruption in the lives of our people, bringing the municipal and the country's economy to a standstill and threatening the livelihoods of millions.

In the midst of this life-destroying pandemic and together with the mining houses operating in our jurisdiction, we are greatly encouraged by some of our strides in line with our radical economic transformation agenda, that we have used our developmental programme to empower local SMMEs to benefit and participate in the mainstream economy of the municipality.

Economic Transformation and Job creation

- The second phase of the Refurbishment of Sechaba Lesimola Business Hive has benefited 100%, a black owned company from Masilonyana. The project which is funded by Harmony Gold Mine is 97% complete.
- The construction of 17 houses for mine employees by Sibanye Gold has equally empowered a local SMME through a joint venture partnership.

Honourable speaker, through Social and Labour Plans (SLP) projects:

The second phase of refurbishment in,

- Resealing and paving of roads will be implemented, amount of R20 Million will be used in Masilo.
- The amount of R4 Million is budgeted for construction of Water and Sewer Reticulation in Masilo and Lusaka. Let me remind the House that this project is as a results of previously stalled national Rapid Bucket Eradication initiative which never materialised.
- R1 Million rand will be used for Development of Container Park or Youth Business Stalls around Masilonyana.
- The constitution of South Africa section 25 (2), stipulated that property maybe expropriated in terms of law general application for public purpose or interest and subject to compensation.
- This refers to redistribution of vacant, unused and underutilised land. These also implies that the law empower local government, to effectively advance land reform. The construction of Intermodal Taxi Rank amounting to R7.5 Million, will commence this financial year and the project is in the designing stage.
- We have engaged with the owner where the Taxi rank will be constructed The Municipality is intending to expropriate a land ear mark together with the taxi association for this project as the owner is requesting exorbitant amount for that piece of land. As the Municipality we must apply remedies at our disposal to expropriate that piece of land for the benefit of the community.

Economic and Job Creation

Honorable Speaker,

We will continue using the Extended Public Works Programme (EPWP) to alleviate the pandemic and the struggling economy's impact, to further create jobs. The budget allocation for EPWP for the 2020/21 is R1 million.

More jobs were created in the following programmes in the past financial year:

- ✓ 27 jobs opportunities were created in Verkeerdevlei, Theunissen and Winburg for Youth Service Programme (NARYSEC)
- ✓ 66 Jobs created across Masilonyana through urban park staff, waste monitors, environmental educators (WESSA)
- ✓ 43 Jobs created for Environmental Management (THOLOANA) started in 2019 and will end in February 2021
- ✓ 38 Jobs created around Masilonyana, for Security and Cleaning through EPWP and it will be extended to 2021 financial year.

The ZR Mahabane Paving and Brick Manufacturing Project is currently being revamped and will start its operations this year with the assistance of Lejweleputswa Development Agency, moreover a Memorandum of Understanding (MOU) will soon be signed.

This Community project, will be linked with paving road project as stipulated above, for procurement and support. This will include any community brick making initiative from our units for purpose of township revitalisation.

Community Work Program (CWP) is another government safety net initiative, targeting the most vulnerable communities.

The municipality was allocated 500 beneficiaries for the implementation of the first phase of CWP, and early last year COGTA approved for recruitment of another 100 participants and currently the total number of registered beneficiaries and on site is 582. Another addition of 100 more participants will be recruited for the 2020/21 financial year.

Job Creation through Skills Development Interventions

Honorable Speaker, the Municipality has trained 30 young people on paving of roads at Verkeerdevlei, Brandfort and Theunissen in partnership with NYDA and the Department of Public Works.

We also trained 25 young people in Verkeerdevlei and another 25 in Theunissen on Occupation health and safety.

In the coming financial year Honorable Councilors, in partnership with DIALNX we will be training our youth on the following programs:

1. Waste management and recycling
2. Clothing, textile, shoe making and shoe repairs
3. Early Childhood Development
4. Bakery and Catering Services
5. Electrician
6. Plumbing
7. Machine Operator (TLB, Excavator, Grader, etc)
8. Carpentry
9. Welding
10. Brick laying

Honorable Councilors, DESTEA will also be rolling out skills development trainings and the following have been identified:

1. General Education and Training Certificate in Clothing and Manufacturing Processes.
2. National Certificate Clothing, Footwear and leather manufacturing
3. National Certificate Building and Civil Construction
4. National Certificate Professional Cookery
5. Diploma in Food preparation and culinary arts
6. National Certificate Confectionery Manufacturing
7. Painter/Decorator
8. National Certificate Poultry Production
9. Occupation Electrician and other Skills programme

Special Programmes

Madam Speaker,

For the 2020/21 financial year, my office has budget R975 000 for Special Programmes.

Equally and as part of our commitment to youth development programmes such Sport, Arts and Culture, the budget allocated for the upgrading of Tshepong/Verkeerdevlei Sport Facility as well as the construction of Winnie Mandela Sport precinct, will overlap from R9 million in the previous financial year to R12,7 million in the next financial year. Two SMMEs from Brandfort were subcontracted in the Verkeerdevlei Sports Facility.

Infrastructure Development

Honourable Councillors,

Today, we can proudly report to you that during the past financial, not only did we use projects funded by the mines but also our infrastructure developmental programmes to benefit our local SMMEs.

- The upgrading of the Winburg Treatment Works has jointly benefited a company from Masilonyana and the project to value of R36 million is still under construction.
- Another SMME from Masilonyana is the sole contractor for the fencing of the Brandfort Waste Water Treatment Works for R3.7 million.

Honourable Councillors,

Our municipality has made substantial progress in the expansion of basic services and the percentage of households with access to basic services and most importantly water challenges are a thing of the past.

Madam Speaker,

The Refurbishment of Theunissen/Masilo Concrete Pressure Towers has been completed and the tower has been disinfected. A new pump will be installed as part of the SLP project at this reservoir to assist with the supply of water to high lying areas of Masilo.

Current and Future Projects Subsidized by Conditional Grants:

1. Brandfort/Majwemasweu: Completion of Majwemasweu sports centre: R1,581,216.0
2. Brandfort/Majwemasweu: completion of Waste Disposal Site: R2,278,239.61
3. Theunissen/Masilo: Installation of 3720 domestic, 2 zonal and 4 bulk water meters: R271,730.00
4. Brandfort/Majwemasweu: Installation of 2719 domestic, 3 zonal and 3 bulk water meters: R401,642.53
5. Winburg/Makeleketla: Installation of 3122 domestic and 3 zonal water meters: R492,339.95

6. Verkeerdevlei/Tshepong: Construction of a sewer reticulation network and house connections for 317 erven: R3,409,422.7
7. Verkeerdevlei/Tshepong; Construction of Tshepong Sports Complex: R8,472,728.95
8. Majwemasweu/Brandfort: Construction of Sports Centre in the Winnie Mandela Museum Phase-2 R3,000,000.00
9. Refurbishment of the Winburg Clear Water Rising Main: R6,215,739.13

Honourable speaker,

R33 Million has also been budgeted in the next financial year through Water Infrastructure Service Grant (WSIG) for:

- Winburg/Makeleketla refurbishment of sewer pump stations & jetting.
- Brandfort/Majwemasweu refurbishment of the 3 Sewer Pump Stations.

Winburg derives its raw water from three dams namely, Rietfontein Dam, Wolvas 1 and Wolvas 2. During dry seasons, particularly in winter the Dams are affected by drought hence a construction of Bulk Water Pipeline from Sedibeng Storage Reservoirs to Winburg was initiated.

For 2020/21 financial year, the Municipality has received an allocation of R120 million for water pipeline project from Sedibeng to Winburg.

Spatial Development, Human Settlement, Developmental Local Government and Policies

Honourable Speaker,

In this financial year the Municipality is intending on building Houses for its own community, business plans and other relevant documents have been submitted to the National Department of Housing for such initiative

- The current term of Municipal Planning Tribunal (MPT) members is ending in August 2020. Processes have been initiated for the appointment of new members. Thereafter names of new members will be submitted to the Department of Rural Development and Land Reform for gazetting.

- The Spatial Development Framework (SDF) has been reviewed for the purpose of Land acquisition and business development opportunities. Very soon the municipality will be advertising disposal of various packages of land (business, residential and industrial).
- The SDF and Land Use Scheme (LUS) have been reviewed and approved by the Municipal Planning and Tribunal.
- Honourable Speaker, both Winburg/Makeleketla (Baipehing) and Brandfort/Majwemasweu (Slovo Park) Township Establishments have been approved. The Department of Cooperative Governance and Traditional Affairs has appointed one service provider to complete outstanding work left by previously appointed companies.
- In Theunissen, the community and Municipality have earmarked the land in Ward 9 next to Eco Village for township establishment and the identified land belongs to the private owner. This piece of land too, should be expropriated.

Honourable Speaker,

We need to institute investigations regarding commonages, illegal land extension and land acquisition of Municipal land by farmers. These are as the result of more people coming to the municipality providing information about these trends.

- We will be granting lease agreements of not more than 10 years to small scale beef cattle breeders by end of July 2020.
- The Municipality is still committed to assist the aspiring small scale farmers from Brandfort who are interested in a Cannabis Farming Concept for medicinal purposes. Council is therefore urged to assist in the training and acquiring of licence for this local farmers, this will be done in consultation with Medicine and Control Council.
- The Council took a resolution for the renaming of Masilonyana Local Municipality to Dr Winnie Mandela Municipality; Lejweleputswa District Municipality has committed to assist with the funding of this project.
- Honourable Councillors, The Municipality has been faced with fire challenges during winter seasons; and we have had many incidents where houses burned down and several Cars around N1 and R30: In the coming financial year of 2020/21, the Municipality will build fire stations in four towns of our Municipality to ensure that we are ready to extinguish any fire that might erupt at any given time.

Institutional Development and Organizational Transformation

Honourable Speaker,

The Municipality has established Batho Pele, Complaints and Compliments Management System office. This financial year 2020/2021, the Municipality will establish shared call services to ensure that service delivery complaints are attended to within a prescribed time and that the institution adheres to Batho Pele Principles as prescribed by the Constitution.

Management we will ensure that all staff members have nametags. Visible signage directing visitors and the communities to various offices and services must be implemented with speed and that frontline staff be well trained to deal with consumers and visitors.

Honourable Councillors,

The Municipality is almost done with the review of the Organisational Structure. As the municipality we have to ensure that our organogram is in line with the National and provincial Standards (Prototype Structure).

Equally, Council must be reminded that the Municipality has been without warm bodies in critical positions, especially service delivery positions which include amongst others Section (56) Managers.

Interviews have been conducted and appointments executed for Technical and Social Services Directors with the endorsement of council of June 2020 and the Chief Financial Officer position should be finalised and expected to commence with one's duty during the course of the new financial year.

The Municipality is further encouraging all employees who are above 60 years to take early retirement in order to ensure that more young and skilled people are employed to fast-track service delivery

Honourable Councillors, as far as the Workplace Skills Plan (WSP) is concerned; the Municipality has been consistently complying and submitting on time.

Even this year's 2020/2021 WSP was developed and submitted to LGSETA as per the legislative requirements. Essentially WSP aims at addressing identified skills gaps within the institution.

In 2019/20 financial year, the Municipality provided training on Local Economic Development to 10 municipal employees and 04 unemployed youth. The training is offered as an NQF Level 6 and is running for a period of 12 Months.

Financial Viability

Honourable Speaker and Fellow Councillors,

More than ever, the year 2020 presents us with the opportunity to practice serious fiscal discipline without compromising service delivery but necessitated by a shrinking municipal revenue streams. This must be done whilst we also explore and support initiatives that will stimulate the municipal economy.

These measures will be implemented in an attempt to ensure the future viability of the institution and to focus on reducing the impact on the residents within our community.

Revenue enhancement through Operation Patala:

We ought to strive for solvent and liquid institution if we so yearn for stable, viable and sustainable Municipality.

Honourable Councillors,

The Municipality is owed more than R750 Million, and 20% of this total amount which is R150 Million is irrecoverable.

The Municipality is contemplating to write off this irrecoverable amount through write off policy and current commissioned District data purification exercise

The municipality's total operating expenditure and capital budget is estimated to be R357.3 million. Operating expenditure has been projected at R316.3 million.

The Municipality's capital expenditure amounts to R42.1 million that is 95% is funded from grants and the 5% from internal funds. This is supported with a revenue base of R 318 million from service charges, property rates and operational grants.

The budget has a surplus of R1.9 Million. Non-cash items constitutes a big chunk of the expenditure amounting to 108 Million (34%) , and these expenses types has to be accounted for to ensure that the budget is realistic and credible, and minimize unauthorized expenditure.

The municipality has a history of financial constraints but is working towards improving the situation hence we currently have a cash-backed cash flow for the current year and the 2 outer years.

Tariff Setting

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, the wage agreements with unions, other input costs of services provided by the municipality, the municipality's indigent policy and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

The percentage increases of both Eskom and Bulk Water tariffs are beyond the South African Reserve Bank inflation target. Given that these tariff increases are determined by external agencies, the impact that they have on the municipality are largely outside the control of the municipality.

The Eskom price increase of bulk electricity supplied to municipalities will increase by 6.9 percent on bulk electricity, as approved by Nersa.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities.

The basket of goods and services utilized for the calculation of the CPIX consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, materials and chemicals.

The current challenge that will face MLM is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows:

The municipality's revenue strategy is built around the following key components:

The total allocation for indigent support to all registered and qualifying indigents as per Division of Revenue Act (DORA) allocation will be as follows:

<i>Electricity Basic</i>	:	<i>R93.66</i>
<i>Water Basic</i>	:	<i>R144.86</i>
<i>Sewerage</i>	:	<i>R106.90</i>
<i>Refuse</i>	:	<i>R89.61</i>
TOTAL	:	R 435.03

Municipal grants for the 2020/2021 financial year are as follows:

- Equitable Share: this is an unconditional grant meant to subsidise the poor and council support and is allocated R127 950 000
- Finance Management Grant (FMG): this is a conditional grant aimed at improving Finance management within the municipality and allocated R2 400 000
- Water Services Infrastructure Grant (WSIG): this is a conditional grant aimed to provide water and sanitation services and reduce backlogs allocated R11 000 000.
- Expanded Public Works Programme (EPWP): a job creation conditional grant, allocated R1 000 000.
- Municipal Infrastructure Grant (MIG): a conditional grant aimed at addressing backlogs of poor and ageing infrastructure as well as improving capacity on the performance of the water and sanitation networks is allocated R30 017 000.
- Regional Bulk Infrastructure Grant (RBIG): an in-kind a capital grant for bulk infrastructure improvements, allocated R153 064 000. This money will be used for Sedibeng – Winburg water pipeline and Winburg refurbishment and rehabilitation of the water treatment works.

RECOMMENDATIONS TO COUNCIL:

Honourable Councillors, the following recommendations are necessitated by the current economic and inflationary conditions.

- That the final budget for 2020/2021 be approved.
- That all budget related tariffs be approved together with the budget.
- All budget related policies as listed and attached be approved.
- Council approve the Revenue and Enhancement Strategy.

CONCLUSION

Fellow Councillors,

Indeed, the service delivery journey never ends, but of importance is that we must continue to instil the hope of a better life for our people.

The ANC government commits to continuously serve the people and build a public service that is more responsive, transformative and accountable. We shall continue to work tirelessly with our communities to undermine threats to service delivery and persistent inequalities.

Honourable Speaker,

As I conclude, allow me to express our shock as the Municipality with the ongoing brutal killings of woman and children around our country. We join the rest of South Africans in appealing to all Man in our communities to love and protect women and to ensure that perpetrators are put behind bars.

We pledge our support to the “BLACK LIVES MATTER” campaign that has been going on around the world against RACISM

Madam Speaker – this address will be available to the residents on Municipal Website, www.masilonyana.fs.gov.za, Masilonyana Local Municipality FACEBOOK page and; all Municipal Offices and Libraries.

I Thank You. Ke a leboha. Dankie. Ndiyabulela. Ngiyabonga. Ke a leboga.

**Issued by: Office of the Mayor
30 June 2020**