Council Meeting
26 January 2018

Speaker,
Chief Whip,
Alderman Hutcheson,
MMC’s,
Alderman Ramushu,
Fellow Councillors,
Municipal Manager,
HOD’s,
Distinguished Guests,
Ladies and Gentlemen,

Good Afternoon.

Speaker, I would like to welcome everyone back from the holiday season. I trust that we are all well rested and ready to serve our communities, and work together to take this resilient country of ours forward.

Speaker, South Africans could not have chosen a better way to begin the year than in this manner. The current mood in the country is optimistic, in light of the recent developments in the political landscape.

We applaud the NPA, who are beginning to take action against those who’ve been – for many years – looting the public purse and getting away with it. These people have for many years been blatantly and unapologetically robbing the poorest in society – to feed their illustrious greed. We hope this is only the beginning of a process that will expose the full extent of the ruin caused by those who were put in office to protect the public purse and make decisions that will benefit all South Africans, and not certain individuals and their associates.

We welcome the appointment of the new Eskom board, under the leadership of highly esteemed business man Jabu Mabuza, who has through his many previous endeavours in both the public and private sector – proven to be the best man to rescue the embattled entity. We wish the team all the best as they begin the mammoth task of restoring good governance and confidence at Eskom.
Speaker, this has also been a good week for the poorest in society, who more often than not, do not have the voice to speak up and defend themselves.

On Monday, we saw former Health MEC in Gauteng Qedani Mahlangu appear before the Life Esidimeni Arbitration hearings, to account on her role in the disastrous project which led to the deaths of 143 mentally ill people, with 59 people still unaccounted for.

Listening to the harrowing stories of some of the survivors and families of the victims has on many occasions sent chills down my spine. To say the accounts of how these vulnerable people lost their lives is harrowing, would be an understatement. It was despicable, inhumane and criminal, and the fact that not even one official has come forward and taken responsibility for the ordeal is more gut wrenching. We can only hope that the arbitration will offer some closure to the families of the deceased, but also bring those responsible to account.

Speaker, another victory for the poor this week has been the questioning of Social Development Minister Bathabile Dlamini relating to her role in the 2017 SASSA débâcle, which threatened the livelihood of millions of South Africans dependent on social grants for their daily sustenance. This too, has shown the inability of some public officials to take responsibility for their actions, and to avoid making decisions that compromise good governance and the livelihoods of those who put them in office.

Fellow Councillors, these developments should remind us two things. Firstly, that no one is above the law and we will all eventually have to account for our actions and decisions, because justice delayed does not always amount to justice denied. Dwight D. Eisenhower once said “the supreme quality for leadership is unquestionably integrity, without it no real success is possible.” leadership is about being transparent and accountable, and taking responsibility when things go wrong.

Secondly, it reminds us that we should not forget our number one and most important mandate is to serve our people; to create better opportunities for the communities we serve – to the best of our ability and resources. Our call has never been to enrich ourselves, families and associates.

The economic trajectory of the country is finally taking a turn for the better, after months of deterioration. On Wednesday, The rand hit a fresh two-and-a-half year high trading at below R11.94 to the dollar, extending a rally driven by optimism about the prospects for change due to the changing political landscape.

Last week – the Reserve Bank kept interest rates unchanged at 6.75% as had been expected. Governor Lesetja Kganyago said that since the previous meeting of the MPC, the rand had appreciated by 13.1% against the Dollar, 9.6% against the Euro, and by 10.6% to the Pound on a trade-weighted basis. He further warned though, that in the short term, the rand is expected to remain sensitive to changes in political developments.
Speaker, as we would remember, South Africa remains in the red zone with the looming prospects of a credit-ratings downgrade to sub-investment grade by Moody’s – which placed the country on review in November.

Fellow Councillors, as we remember – it’s counterparts S & P Global and Fitch have maintained South Africa’s junk status – which collectively continues to weigh on the longer-term outlook for the rand. The good news, however, is that we appear to have survived the worst – at least for now – as analysts are predicting a better end to year for the rand, than previously anticipated.

Speaker, we are just weeks away from President Jacob Zuma’s State of the Nation Address, to be followed by the Budget Vote by the finance minister – which should give the country a better view of how government plans to rebuild itself, and move past the damage caused to the economy. This is a critical time where South Africans are hoping to see signs of a country that’s re-establishing itself both at home and to a global investment market.

We wait with bated breath to see if both these pronouncements, coupled with the improvements in the economy, will offer some relief to our communities who are currently battling to get through the month with the cost of the food basket exceeding how much many households take home at the end of the month. Speaker, as the country tries to rebuild we cannot stop the work we are currently doing to offer solutions to the country’s high unemployment rate, especially youth unemployment which stand at 27.7% and 52.2% as of the third quarter of 2017, respectively.

Speaker, the vision and mission of the municipality remains to inclusively serve the needs of our communities by growing the economy; this is also as per our manifesto promise number three. We have vowed to incubate an enabling business environment, which fosters job creation and is supportive of key sectors in order to address inequality and improve the standard of living.

This is why, our main theme for the coming year is growing the economy and creating jobs, because we understand that in order to tackle many of the issues affecting our shrinking resources and growing needs – we ought to pro actively create solutions instead of waiting for handouts.

How do we intend on doing this, as Midvaal Local Municipality we understand that our strengths lie in the Agriculture, Construction, Tourism and Commercial sectors. This is why we plan to maximise our potential in each of these industries, but most importantly tap into our undiscovered potential in industries we have not exploited fully, including making Midvaal one of the top tourism destinations in Gauteng. We are currently engaging different stakeholders operating within our municipality- who have expressed their interest in forming partnerships that will assist us realise these plans.

Speaker, the continuous closure of the R59 near Sicelo remains an issue that deserves our attention. On the 7th of January, we saw residents barricading the
As you would remember, the municipality had initially identified the Ophir Estates land for the housing development, and the GHSD had initiated negotiations with current land owners to pursue the possibility of purchasing the land for the housing development.

The municipality had also subsequently employed independent property valuers to provide land owners with property valuations – along with separate property valuations that were conducted by the Human Settlements department.

However, upon completion of that process, the department and land owners failed to reach an agreement on purchase prices for the identified land at Ophir Estates. Due to a deadlock in negotiations and realising the urgency of the matter, plans to purchase Ophir Estates for the Sicelo housing project were abandoned to seek a more speedily alternative.

As a result, the municipality then identified two new sections of land near Sicelo, which could instead be used for the housing developments. The department has now liaised with both property owners, and is in the process of assessing whether the land would be suitable for housing developments.

Speaker, as we know, the municipality does not have the jurisdiction to establish any housing developments, but as a result of being the immediate point of contact for our communities and understanding their warranted frustration with the lack of decent housing, we have taken the responsibility to facilitate to the best we can, the project until we see it to completion. We continue to hold weekly task team meetings with the Gauteng Department of Housing and Sicelo community representatives in efforts to resolve this matter.

Speaker, we are as equally invested in seeing the housing project officially launched and that our communities be provided with decent housing. Although housing is not a municipal competency we will continue to assist the community and hope to reach an amicable resolution with community members that they extend grace to the housing department and refrain from closing down the highway and destroying infrastructure while we await feedback from provincial government. The R59 as we know is a major transport route, which services several businesses in the municipality and others, therefore its operation is vital to the development of the municipality and consequently, affects every Midvaal resident.

Speaker, on the 11th of December the communities of Vaal Marina were hit by a tornado which caused severe damage to properties, left dozens of people injured and more than a thousand temporarily displaced. We were, through the assistance of staff, volunteers, and sponsors, able to assist in rebuilding several homes – ensuring that many of our community members were back in their homes less than 48 hours after the tornado hit. Communities were also provided with temporary
housing and sustenance until they were able to move back into their homes, where we were also able to provide them with basic household essentials to assist them.

Speaker, having realised the trauma the devastation has caused to many people, we are planning to return to the Mamello Informal Settlement in Vaal Marina, with well known gospel musician Lebo Sekgobela, for a healing service next month, and to also celebrate the lives spared in the disaster.

Speaker, we are currently conducting the 2017/2018 IDP meetings, which began on January 15th in Ward 2. Since then we have also visited Rothdene, Boitumelo, Daleside, Route 82 and yesterday we were in ward 6 (Lakeside). During these visits we have noted that although many of our communities are satisfied with the services the municipality is providing, there are other areas of our work which need more of our attention. Some of the key issues to come out of our IDP meetings so far include housing, more youth development programmes – like Kgatelopele – and the high unemployment rate in our communities.

**Operating Revenue**

Speaker,

The Operating Revenue Budget of Council has increased by R36 903 229 to R1 052 859 953 (excluding internal costing).

The main reasons for the net increase of revenue include:

- Increase in developer contributions (Klipriver) R19 950 082
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- Increase in water sales of R7m
- Increase in property rates of R5m
- Increase in interest income of R1m
- Increase in grant funding (libraries) R300 000

- Decrease in electricity revenue of R3m
- Decrease in developer contributions (other net movements) R2 627 505
- Decrease in refuse removal revenue of R1m

**Operating Expenditure**

The expenditure budget has also increased by R29 152 155 to R1 053 354 331 (excluding internal costing).

The main reasons for the net increase of expenditure include:

- Increase in developer’s contributions R19 950 082
- Increase in bulk purchases of R5 000 000
- Increase in outsourced services of R3 947 953
• Increase in consultants and professional services of R2 068 803
• Increase in payments to other organs of state R1 500 000
• Increase in operational cost R695 210
• Decrease in employee related cost of R3 137 966
• Decrease in contractors R650 625
• Decrease in inventory R221 302

**Surplus**

The budgeted accounting deficit will be R494 378 – a reduction from the current budgeted deficit of R8 245 453.

The main reason for the reduction in the deficit is the movements in the capital budget which are recognised as revenue but used for the funding of the capital budget.

The budget is fully funded.

**Capital Budget**

The capital budget is being revised upward by R5 204 100. The adjusted capital budget will be R155 334 356.

This is the third revision to the capital budget. The first adjustment was done in August 2017 where the roll-over of projects not yet completed by 30 June 2017 were provided for.

The second revision was done in September 2017 to provide for unforeseen and unavoidable expenditure after protests that led to damage to the roads network of the municipality.

Speaker, it is with great pride that I announce that we have received notification from the Auditor General that Midvaal Local Municipality has once again received a clean audit for the 2016/2017 financial year. As we know, this is the fourth consecutive clean audit the municipality has received. And it is thanks to the diligent work of each and every single one of us sitting here as well as municipal staff, that we have been able to achieve this feat. This also cements our reputation as the best performing municipality in Gauteng.

We look forward to seeing the Auditor General’s full report later this year, where we will have further insight into how other municipalities in Gauteng and the country have performed in this regard, and hope that we are able to share in these celebrations with other municipalities, because that would mean we are making collective progress in moving Gauteng and South Africa forward.
Speaker, we however, wish to express that our challenge to ourselves right now is that we see achievements such as these translate into better service delivery for all our communities – as I have previously mentioned that our vision is to inclusively serve our community and to see every resident enjoy equal quality services.

We recognise that there is still room for improvement in certain areas, and we remain committed to ensuring this. Ray Kroc once said “the quality of a leader is reflected in the standards they set for themselves” and as with many years before, we are aiming for the galaxy – and will continue to set an example of how much can be done with limited resources and a willing heart.

Speaker, I am honoured to be leading a team of willing hearts, because I know that no matter what challenge we face – we will go at it headstrong with a determination to achieve everything we have set out to accomplish.

Thank you!