

***CONFIDENTIAL***

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**MINUTES  
of a SPECIAL MEETING  
(2023/2024 IDP/BUDGET  
MEETING)**

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**MANGAUNG METROPOLITAN  
MUNICIPAL COUNCIL**

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**COUNCIL CHAMBER  
FIRST FLOOR  
BRAM FISCHER BUILDING  
BLOEMFONTEIN**

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**THURSDAY  
JUNE 15, 2023  
AT 10:00**

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**MANGAUNG  
METROPOLITAN  
MUNICIPALITY**

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**MINUTES OF A  
SPECIAL MEETING  
of the  
MANGAUNG METROPOLITAN MUNICIPAL COUNCIL  
held IN THE COUNCIL CHAMBER, FIRST FLOOR, BRAM FISCHER BUILDING  
BLOEMFONTEIN  
on  
THURSDAY, JUNE 15, 2023  
at 10:00**

**ATTENDANCE REGISTER**

#	NAME	PARTY	LEAVE
1	<u>Speaker</u> Cllr Davies (Maryke)	DA	
2	<u>Acting Executive Mayor</u> Cllr Nthatisi (Gregory Mosala Solomon)	ANC	
3	<u>Acting Council Whip</u> Cllr Nikelo (Vumile Edwin)	ANC 28	
<b>SECTION 79 CHAIRPERSONS</b>			
4	<u>Remunerations</u> Cllr Nhlapo (Ntombi Anna)	ANC	
5	<u>Petitions and Community Liaison</u> Cllr Qai (Alfred)	AIC	
6	<u>Rules</u> Cllr Mokgothu (Tona Kenosi Wilfred)	ANC	
<b>INTERIM MEMBER OF MAYORAL COMMITTEE</b>			
7	<u>Economic Development and Spatial Planning</u> Cllr Jonas (Vuyelwa Eunice)	ANC	
8	<u>Waste and Fleet Management</u> Cllr Letawana (Manthuse Maria)	ANC	
9	<u>IDP and Performance</u> Cllr Morake (Molefi Andries)	ANC	
10	<u>Infrastructure and Engineering</u> Cllr Soqaga (Vusumzi Simon)	ANC	
11	<u>Finance</u> Cllr Titi-Odili (Lulama Magdalena)	ANC	
12	<u>Human Settlements</u> Cllr Tladi (Motshewa Martha)	ANC	
13	<u>Public Safety</u> Cllr Tsoleli (Sibongile Pearm)	ANC	
14	<u>Rural Development</u> Cllr Twala (Pani Sidney)	ATM	
15	<u>Social Services</u> Cllr Mosala (Motlhokung Theodorah)	ANC 11	
16	<u>Corporate Services</u> Cllr Kruger (Caprice Logan)	ANC 16	

<b>PR COUNCILLORS</b>			
17	<b>Cllr Campher (Zaandre MC)</b>	<b>DA</b>	
18	<b>Cllr De-Huis (Dikeledi Jane)</b>	<b>EFF</b>	
19	<b>Cllr De Kock (Valerie Belinda)</b>	<b>FFPlus</b>	
20	<b>Cllr Denner (John Henry)</b>	<b>FFPlus</b>	
21	<b>Cllr Dennis (Magdalena Elizabeth)</b>	<b>DA</b>	
22	<b>Cllr Ferreira (Thomas Ignatius)</b>	<b>DA</b>	
23	<b>Cllr Klaasen Raynie Sarah</b>	<b>DA</b>	
24	<b>Cllr Letsoko (Mantwa Sanah)</b>	<b>EFF</b>	
25	<b>Cllr Lipale (Gopolang Jeremiah)</b>	<b>EFF</b>	
26	<b>Cllr Makau (Pitso Elias)</b>	<b>EFF</b>	
27	<b>Cllr Malebo (Deliwe Lettia)</b>	<b>EFF</b>	
28	<b>Cllr Maliela (Motiki Edwin)</b>	<b>DA</b>	
29	<b>Cllr Mathae (Bongani Lawrence)</b>	<b>ANC</b>	
30	<b>Cllr Masoeu (Thapelo David)</b>	<b>DA</b>	
31	<b>Cllr Matsoetlane (Maditaba Joyce)</b>	<b>ANC</b>	
32	<b>Cllr Mogotsi (Mamahlape Elisa)</b>	<b>EFF</b>	
33	<b>Cllr Mohlamme (Lebohang Lerato)</b>	<b>DA</b>	<b>Absent with apology</b>
34	<b>Cllr Mokoena (John Itumeleng)</b>	<b>AASD</b>	
35	<b>Cllr Mongale (Mojalefa William)</b>	<b>AASD</b>	
36	<b>Cllr Moreeng (Kabelo Christopher)</b>	<b>DA</b>	
37	<b>Cllr Mtshakazane (Eunice Xoliswa)</b>	<b>EFF</b>	
38	<b>Cllr Njiva-Lebajoa (Mamotse)</b>	<b>DA</b>	<b>Absent with apology</b>
39	<b>Cllr Phohleli (Tsholwane Eddy)</b>	<b>EFF</b>	
40	<b>Cllr Phupha (Ntsoaki Agnes)</b>	<b>PA</b>	
41	<b>Cllr Ramatlama (Mpho Joseph)</b>	<b>EFF</b>	
42	<b>Cllr Rampai (Pule Joseph)</b>	<b>ACDP</b>	

43	Cllr Rasoeu (Lempe Ernest)	DA	
44	Cllr Sebolao (Jankie Elisha)	EFF	Absent with apology
45	Cllr Shale (Nkahiseng Reginah)	EFF	
46	Cllr Snyman van Deventer (Elizabeth)	FFPlus	
47	Cllr Terblanche (Arthur Phillip)	DA	
48	Cllr Thomas (Johannes Beleme)	EFF	
49	Cllr Thwala (Zwelinjane Jonathan)	DA	
50	Cllr van der Ross (Kevin Etienne)	PA	
51	Cllr van Rensburg (Corize)	DA	
52	Cllr Viviers (Benhardus Jacobus)	DA	Absent with apology
53	Cllr Vorster (Braam)	FFPlus	
54	Cllr Wewege (Mare-Lize)	FFPlus	
<b>WARD COUNCILLORS</b>			
55	Cllr Sefaki (Samuel)	ANC 1	
56	Cllr Mokgothu (Tona Kenosi Wilfred)	ANC 2	
57	Cllr Machachamise (Tshepiso Oudious)	ANC 3	
58	Cllr Supi (Mahoko Harold)	ANC 4	
59	Cllr Lecoko (Lehlohonolo Nathaniel)	ANC 5	
60	Cllr Moilola (Tshidiso Petrus)	ANC 6	
61	Cllr Nyaphudi (Likeleli Julia)	ANC 8	
62	Cllr Tlhakung (Betty Masetlhabi)	ANC 9	
63	Cllr Setlai (Teboho Lesley)	ANC 10	
64	Cllr Hashatsi (Rafedile)	ANC 12	Absent with apology
65	Cllr Siteo (Nombulelo Dorcas)	ANC 13	
66	Cllr Lekgetho (Lebogang Winston)	ANC 14	

67	Cllr Mohibidu (Pulane Martha)	ANC 15	
68	Cllr Mohatle (Mampone Sally)	ANC 17	
69	Cllr McKay (David Mark Campbell)	DA 18	
70	Cllr Peter (Seth Qondile)	ANC 19	
71	Cllr Pretorius (Werner)	DA 20	Absent with apology
72	Cllr Lotriet (Pieter Adam)	DA 21	
73	Cllr Leech (Dulandi)	DA 22	
74	Cllr van der Walt (Tjaart Botha)	DA 23	
75	Cllr Kotze (Gerhardus Dirk Petrus)	DA 24	
76	Cllr Botes (Francois Rossouw)	DA 25	Absent with apology
77	Cllr van Niekerk (Hendrik Johannes Christiaan)	DA 26	
78	Cllr Banyane (Zachous Nechodemus)	ANC 27	
79	Cllr Tukula (Teboho Daniel)	ANC 30	
80	Cllr Mabena (Mere Joel)	ANC 31	
81	Cllr Menyatso (Thabang Victory)	ANC 32	
82	Cllr Mohono (Tshidiso Augustine)	ANC 33	
83	Cllr Tshwane (Kabi Daniel)	ANC 34	
84	Cllr Fantisi (Teboho Samuel)	ANC 35	
85	Cllr Makoloane (Itumeleng Justice)	ANC 36	
86	Cllr Ramolelle (Mmota Simon)	ANC 37	
87	Cllr Matsoso (Molahloane Florenciah)	ANC 38	
88	Cllr Pholoholo (Ntebaleng Petunia)	ANC 40	
89	Cllr Dintlhwane (Mantja Agnes)	ANC 41	

90	Cllr Mothupi (Maqoma Lazarus)	ANC 42	
91	Cllr Nkiane (Mpho Elizabeth)	ANC 43	
92	Cllr Pretorius (Selmé)	DA 44	
93	Cllr Mathe (Lisiwe Jeanette)	ANC 45	
94	Cllr Majoro (Mpho Samuel)	ANC 46	
95	Cllr Kganakga (Mokgadi)	DA 47	Absent with apology
96	Cllr Pretorius (Johannes Christiaan)	DA 48	
97	Cllr Mohulatsi (Mamoorosi Margaret)	ANC 51	
98			
99			
100			
101			

**PRESENT**

**NATIONAL INTERVENTION TEAM**

1. NCR
2. Finance Expert
3. Service Delivery Specialist

Ms G Malaza  
Mr Kunene  
Mr E Ngomane

**OFFICIALS**

1. Acting City Manager
2. Acting Chief Financial Officer
3. Acting HoD: Planning & Human Settlement
4. Acting HOD: Economic and Rural development
5. Acting HoD: Waste Management
6. Acting HOD: Social Services
7. Chief Executive Officer: Centlec
8. Acting General Manager: Committee Services
9. Secretariat officer
10. Secretariat Officer

Ms N Dumalisile  
Mr L Denge  
Ms N Mabunda  
Mr XC Manyungwana  
Mr F Nel  
Ms M Mafisa  
Mr M Sekoboto  
Ms X Qilo  
Ms R Mamatela  
Ms KD Mokoena

**Note by Secretariat**

1. **Attendance Register:** Every member attending a meeting shall sign his/her name in the attendance register kept for this purpose before the commencement of the meeting.
2. **Leave Register:** In order to streamline administrative processes Councillors are friendly requested to submit applications for leave of absence in the appropriate register kept for this purpose. Members are requested to fill in this register 12 hours before the commencement of the meeting (Rule 22.2).
3. **Name-plates:** Councillors are friendly requested to please take along their name-plates and to display it throughout the meeting.
4. **Apologies during the course of the Council meeting:** Councillors are friendly requested to complete in full and submit the relevant apology form for this purpose (Yellow Form).
5. **Code of Conduct:** Councillors are reminded of item 3, Schedule 1 of the Code of Conduct for Councillors which reads as follows, namely:

Attendance at Meetings: A councillor must attend each meeting of the municipal council and of a committee of which that councillor is a member, except when:

- (a) leave of absence is granted in terms of an applicable law or as determined by the rules and orders of the council or
- (b) that councillor is required in terms of this Code to withdraw from the meeting.

**6. Meeting rules:**

- i. All Councillors must arrive at **least 15 minutes before the commencement** of the Council and all other Committee meetings;
- ii. Cellular phones **must be in silent mode** and **speaking on a cellular phone during the meeting is prohibited**; (Rule 50.2a)
- iii. A Councillor who speaks must **confine his or her speech strictly to the matter under discussion**; (Rule 31)
- iv. Unless expressly otherwise determined, a Councillor **may speak only once on a matter**; (Rule 32)
- v. No speech shall exceed **five (5) minutes** in length without the consent of the Speaker. (Rule 34.1)
- vi. Council members are reminded to uphold high level of good conduct during Council proceedings (No disruptions, no interruptions, no howling, no swearing to other Council members, less movement in the Chamber, no abuse of the PA system).

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**6**  
**MINUTES**  
**(OPEN COUNCIL)**

**90.**

**OPENING**

**(MOMENT OF SILENT CONTEMPLATION FOR MEDITATION AND PRAYERS)**

**The meeting commenced at 10h00.**

**The Speaker after confirming that 63 Councillors were present in the meeting, she declared the meeting officially opened and thereafter allowed a moment of silence for meditation and prayers.**

She then welcomed all the Councillors and further expressed warm welcome to, residents of Mangaung, as well as those viewing the Council proceedings on Facebook, and guests in the Council meeting, namely:

The Acting Premier and MEC of COGTA, Mr. T Mokume

A representative from the Defence Force General. Moadira

Kgosigadi Moroka from the BARALONG

The Acting Executive Mayor's wife, Mrs. Nthatisi

The MEC for Treasury, Mrs. G Brown

Mr. Muller

Mrs. Swarts from the HDL Civic Organization

Mr. Shabalala from NEDBANK Bank

Mr. Snyman from SA

Mr. Mojang

Mrs. Mokoena

Mr. Grady from the Mangaung Old Persons Forum

Miss Ramakanta

Miss Mustard Museum, Paani

Miss Kumori,

Mr. Billy

Mr. Bitsu

Mr. Dithebe

The Council Whip's wife Mrs. Nikelo

Mr. Mashemane

Mr. Leani

Mr. Lebakeng

**NOTED.**

**91.**

**NOTICE OF THE MEETING**

**The Speaker read the notice as on page 2 of the agenda.**

**NOTED.**

92.

**APPLICATIONS FOR LEAVE OF ABSENCE**

All relevant leave of absence and apologies were recorded and minuted as such in the attendance list on the first pages of the minutes.

**NOTED.**

93.

**ACCEPTANCE OF THE AGENDA**

The Speaker indicated that the Executive Mayor will table both items and the discussion thereof would follow suit.

Cllr ME Dennis moved for the adoption of the agenda and was seconded by Cllr CL Kruger.

**NOTED.**

94.

**ANNOUNCEMENTS**

The Speaker announced the following:

1. That interpretation services were available.
2. That there would be engagements with AGSA on the 2021/22 audit outcome.

**NOTED.**

The Executive Mayor tabled the items as follows, namely:

**“Madam Speaker, Cllr Maryke Davies**  
**Acting Premier and MEC for CoGTA, Honourable Toto Makume**  
**Acting Council Whip, Cllr Vumile Nikelo**  
**Chairpersons of Section 79 Committees**  
**Fellow Councillors**  
**Traditional leaders**  
**Acting Municipal Manager, Ms. Ngaka Dumalisile**  
**Members of the National Administration Team**  
**Municipal Officials**  
**Members of Ward Committees**  
**The Media**  
**Ladies and gentlemen**

Madame Speaker, in the recent past our Council was embroiled in a power scramble, factional battles and political divide within and along party lines. This tension that existed could hardly allow an atmosphere of democratic engagement aimed at developing the best modalities and solutions that could best serve the people of our Metro, Mangaung.

Madame Speaker, I hope my observation is correct that there are signs of unity in action and general tolerance amongst Councillors and political parties. These signs of unity in action remain a beacon of hope for our people on the ground, who become victims if we do not put our house in order.

The united front alluded to has seen an insurmountable amount of dedication and resoluteness by Councillors performing their duties with dedication, devotion and discipline. Their contribution can be seen by the reports emanating from various Council committees who gave shape and content to the IDP and this budget.

Fellow Councillors, I therefore dedicate this Budget to you for putting the people of Mangaung first. Without your cooperation, we would have not met today's ultimatum which stems from our initial request for the extension in terms of the Schedule G of the Budget and Reporting Regulations (MBRR).

This tabling coincides with the 47<sup>th</sup> commemoration of June 16 national Youth Day, which will be celebrated from the 16<sup>th</sup> to the 17<sup>th</sup> of June 2023. This tabling is also taking place in a year, when 40 years ago, the United Democratic Front was founded.

This was a democratic vehicle that united our people against the apartheid regime. It was on the 15<sup>th</sup> of May 60 years ago when African leaders converged in Addis Ababa and emerged united with the formation of the Organization of African Unity (OAU), now known as African Union, a day which is now celebrated across the continent as Africa Day.

## 7A

These few events remain part of the history of our struggle and heritage of South Africa and Africa in general. As I depart from recognizing this rich heritage, let us not forget that on the 26<sup>th</sup> of June, we will also be celebrating yet another milestone in the history of our struggle, the Freedom Charter, the document that remains an embodiment of the aspirations of our people.

As we engaged members of the community during the cleaning campaigns conducted thus far, they began to ask pertinent governance questions. Some confronted me personally and asked: are you going to bring back our Zoo? How long shall we be under section 139? What about employment of the local community by the municipality? What consequence management measures are going to be instituted against those who fail the City? What are you doing about developing the township economy and creating opportunities for the youth of Mangaung? How are you actively intending to fix the potholes, sewer spillages and waste collection? Are we ever going to see our beloved Sivelele back in our City and in the Premier Soccer League?

These cleaning campaigns saw our people coming in numbers to help, and our business people contributing their resources and time. These efforts were reinforcing our limited capacity, which remains a challenge that we are hard at work to realize forces of production equalling the demands of a Metro.

Throughout these engagements, one developed a sense of the appreciation of our people about these consultations, even raising a further expectation that they will be sustained well into the foreseeable future.

Troubled by these questions and further realizing that we are also beginning our tenure on the slate of a **'qualified audit opinion with matters of emphasis on the financial affairs'** including a **'disclaimer on the performance information'**, as per the findings of the Auditor General, I realized that together with the people of Mangaung we can play a significant part in resolving our challenges.

In our outreach programme, we visited a number of churches where the idea of bringing all religious denominations together under one roof, with the intention of praying for Mangaung during month of August. The office of the Acting Executive Mayor is working tirelessly to ensure that a committee to realize this objective is realized.

We were also honoured to have hosted the Free State leg of the Netball World Cup trophy tour, and we wish our national netball team a resounding success during the Netball World Cup starting from the 28<sup>th</sup> of July to the 6<sup>th</sup> of August 2023, in Cape Town.

We wish to congratulate our able team consisting mainly of our employees who represented us well at the recently held Comrades marathon.

Yet again, the Cheetahs will be engaged in a protracted battle to make us proud by blessing with lifting the Currie Cup. We also wish them all the success in their endeavour.

Let me also take this opportunity to congratulate Councillor Bongani Mathae on his election as the Provincial Chairperson of Free State SALGA.

## 7B

Madam Speaker, we have recently removed the moratorium on filling of posts, and we will be working hard to ensure advertisement of but not limited to all senior positions and other critical posts in the City. We also hope that the filling of the senior management positions will fast-track the cascading of performance management system to the lower echelons of the institution.

In addition to this, we will also continue to seek smart solutions by exploring new technological advancements and automation to enhance our internal controls, approvals and financial management systems.

### Medium Term Revenue and Expenditure Framework

Notwithstanding all the current setbacks, this Budget seeks to strike a balance between the needs of the people as espoused in IDP including our institutional capacity to respond accordingly.

Having followed the budget principles underpinning local government finances in accordance with the MFMA, we have prepared the Budget for the next MTREF period 2023/24– 2025/26. Therefore, Madam Speaker, our total revenue budget for the MTREF budget is projected at **R9,31 billion** in 2023/24 excluding capital grants (**R8,53 billion** in 2022/23), representing an increase in revenue of **R783,56 million** (9,19%) on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R9,92 billion** and **R10,61 billion** respectively.

The operating budget expenditure increased from the adjustment budget amount of **R7,97 billion** in 2022/23 to a new budget amount of **R8,63 billion** in 2023/24 representing an increase of **R651,95 million (8.18%)**. The projection for the outer two years of the MTREF period is **R9,17 billion** and **R9,68 billion** respectively.

Fellow citizens, it is equally noteworthy that our capital budget for the 2023/24 financial year is set at **R1,15 billion** which is a decrease of **R86,70 million (6.99%)** as compared to the 2022/23 Adjustment Budget of **R1,24 billion**. The capital budget for the two outer years of the MTREF period has been set at **R1,20 billion** and **R1,29 billion** respectively.

### Tariffs

Madam Speaker, it is incumbent upon us and on behalf of this Council to clarify the issue of electricity tariffs increase for the financial year 2023/2024. When we tabled the Budget for noting purposes on 2<sup>nd</sup> of May 2023, the service tariffs were prepared in accordance with the National Treasury guidelines since NERSA guidelines were not yet issued at that time. Now, the current budget is in line with **NERSA's 15.10%** increase for municipalities.

Fellow citizens, the challenges facing ESKOM are borne by all of us. In accordance with the **electricity tariff** that is set to increase by **15.1%**, the electricity revenue is projected at **R3,58 billion in 2023/24 (R3,32 billion in the 2022/23)** adjustment budget representing an increase of **R265,28 million (7.99%)** on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R3,74 billion** and **R3,92 billion** respectively.

It should be noted that electricity tariff increases are approved by the energy regulator, National Electricity Regulator of South Africa (NERSA). This increase is therefore in line with their recommended increase.

## 7C

It should further be noted that Eskom was granted an increase of 18.65% which left the Municipality with no other choice but to increase tariffs by the recommended 15.10%.

Furthermore, for the financial year 2023/24, the **property rates** increase by **5.72%**. Prior to the average increase, we took into consideration few critical factors including: the average increase of the rates tariff by 5.30%; Implementation of zero-based budgeting in line with MSCOA principles and growth of the City.

The average water tariffs will increase by **9.00%**. This is in the main informed by the increase in costs from Bloemwater. In the current financial year, **water services revenue** is set to increase by **15.20%** while considerations of zero-based budgeting and growth of the City was considered. The tariff in monetary terms is projected at **R1,31 billion** in 2023/24 (**R,14 billion** in the prior year) representing an increase of **R172,63 million** (15.20%) on the **2022/23** adjustment budget. The projection for the outer two years of the Medium-Term Revenue and Expenditure Framework (MTREF) period is **R1,37 billion and R1,45 billion** respectively.

The sewerage tariffs are determined to be increased **by 5.30%** for residential customers and **5.90%** for non-residential customers on average in the **2023/24** financial year and by 5.40% (Residential) and 6.20% (Non-Residential) and 5.70% (Residential) and 6.30% (Non-Residential) for the two respective outer years. The **sanitation revenue** is projected at **R520,60 million in 2023/24 (R507,20 million** in the 2022/23 adjustment budget) representing an increase of **R13,40 million (2.64%)** on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R583,19 million and R642,41 million** respectively.

The refuse tariffs are determined to be increased by **8.00%** on average in the 2023/24 financial year and by average 8.20% and 4.70% for the two respective outer years. The **refuse revenue** is projected at **R184,26 million in 2023/24 (R177,67 million** in the 2022/23 adjustment budget) representing an increase of **R6,59 million (3.71%)** on the 2022/23 adjustment budget. The projection for the outer two years of the MTREF period is **R204,60 million and R215,44 million** respectively.

Fellow Citizens, this budget further addresses critical governance issues identified by the Council as key priorities. These include employees related costs. It has now become a norm to expect sporadic labour unrests ensuing on-and-after municipal payday.

The salaries and wages budget are also increasing by 9.13% (**R204,73 million**) based on the 2022/23 adjustment budget amount of **R2,24 billion** to a new amount of **R2,45 billion** in the current financial year. The high increase is due to the reduction of the vacancies in the adjustment budget that did not materialise. If that impact is considered the increase would only be 4,90%.

New appointments are considered in accordance with the new macro-organisational structure approved by the Council in November 2022. The new macro-organisational structure was designed in accordance with the provisions of Municipal Staffing Regulations.

Madam Speaker, allow me to now focus on **other key priorities of the Council**. There will be a significant decrease of high overtime and expenditure on acting positions as the Council envisages filling critical vacancies estimated at **R134,8 million**.

We have also made our intentions quite clear during our focused engagement with organized labour and the officials on the same issue of overtime. The value for tax payers money must be ascertained in whatever we do.

Regarding the Expanded Public Works Programme (EPWP) and Presidential Employment Programme (PEP) an allocation of **R32 million** has been made. This allocation represents an increase of 39% compared to the Draft Budget (**R23 million**). The increase is mainly because of additional PPE and tools for 2000 contract employment opportunities for greening and cleaning projects in partnership with the Department of Forestry, Fisheries and Environmental Affairs.

The allocation must also be understood in terms of the Presidential Employment Stimulus package that was initiated in response to the devastating economic impact of COVID-19. Though the beneficiaries operate within the jurisdiction of a Municipality, they are not necessarily the employees of the Municipality per se. This emphasis is as the result of the city having experienced protests relating to these contracts.

The City has therefore made a special allocation of **R17,7 million** for sustainable refuse removal solutions. Added to this allocation, **R3,5 million** will be spent for the maintenance of parks, City-entrances, and felling of trees.

We are facing the reality where all seems good and perfect when driving on the national roads, while the provincial and municipal roads are the worst nightmare. This chasm – involving the state of national and provincial roads, has grown too wide as if these roads belong to different nation-states. Yet, all this happened within a single, unitary state.

Thus, for maintenance involving addressing potholes, re-gravelling of streets and cleaning of stormwater channels, the City will be spending **R30.5 million**. Added to this, for the upgrading of roads including reconstruction an amount of **R80 million** has been allocated.

For the upgrading, maintenance and management of Integrated Public Transport Network infrastructure we will be spending **R310 million**.

Madam Speaker, the people of Mangaung have been robbed of their constitutional rights to a healthy environment due to the constant stench of sewage running through the streets. We are working around the clock in addressing the sewer spillages. Accordingly, for the unblocking and maintenance of sewer reticulation infrastructure including emptying of pit latrines, **R50.9 million** has been allocated. Added to this **R68.8 million** has been allocated for sewer infrastructure.

Fellow Councillors, during community meetings we should never shy away from the reality that we are a semi-arid country with a serious challenge of water scarcity. It is estimated that almost 40% of the total municipal water supplied to our localities is lost before it reaches local residents, and a substantial amount of it is lost due to illegal connections and spillages. To address the crisis of water leakages and losses an amount of **R60.3 million** and **R140.1 million** for upgrading of water infrastructure have been made available respectively.

Still on water services, an allocation of **R22. 2 million** has been made available for the prepaid and bulk water meters.



## 7E

While enduring the effects of the energy crisis or loadshedding, we need to sustain the maintenance and management of electricity infrastructure. And for this we have budgeted **R110.8 million** for maintenance and **R207. 9 million** for electricity infrastructure respectively.

The challenges of the ageing municipal fleet is receiving necessary attention. As a result, our allocation towards effective fleet management solutions is **R37.2 million** and **R14.4 million** for maintenance of vehicles.

In pursuit of fiscal prudence, we have allocated **R3.11 billion** for ESKOM and Bloemwater bulk accounts. The city has also set aside **R161.8 million** for servicing of other loans.

There is no doubt that the increasing debt book weakens our institutional capacity in terms of effective service delivery. The debtor's balance as of 31 May 2023 stood at **R9.61 billion**, and is of grave concern and requires urgent attention.

Our rate of collection is still relatively low, Madam Speaker. However, implementation of a strategic overview of revenue collection and expenditure is on course. For improved revenue collection and enhancement strategies, we will be spending **R34.7 million**, on a need-to-do basis informed by an effort to look at modalities to reduce the amount in endeavour to reduce collection strategy.

Regarding human settlements, the Vista Park 3 catalytic development is under construction, and internal services such as roads, stormwater, water, and sewer have been completed. Other services involving electrical infrastructure for extensions 261, 262 and 263, which are identified for subsidized housing, are underway. For the Vista Park Development the City will be spending **R59.1 million**.

The Fresh Produce Market should not be seen as a mere source of own-revenue but rather a significant role player in the food supply chain. Thus, the renovations and repairs of this Municipal facility will cost **R53.1 million** Madam Speaker.

The strategic goal of the Council is to enhance the quality of life of households. We are concentrating on the improvement of the level of services including security of tenure and upgrading existing informal settlements. For the upgrading of informal settlements, **R280.4 million** has been allocated.

Though we are ranked by credible institutions such as the World Bank Group as one of the cities where it is easier to do business, we have not fully exploited this competitive advantage. For economic and rural development initiatives the City will be spending **R 29.8 million**.

The Council will soon embark on robust engagement on the economic development trajectory of the City. As the Council deliberates on the ideal growth path, the City will amongst others, will be embarking on an economic and investment summit as well as the development of a long term growth and development strategy for the City.

## Operating Expenditure Budget

The operating budget expenditure increased from the adjustment budget amount of **R7.97 billion in 2022/23** to a new budget amount of **R8.63 billion in 2023/24** representing an increase of **R 651.95 million (8,18%)**. The projection for the outer two years of the MTREF period is **R9.17 billion** and **R9.68 billion** respectively.

The budget amount for debt impairment increased by **R257.54 million (22,89%)** from the 2022/23 Adjustment Budget allocation of **R1.13 billion** to a new amount of **R1.38 billion**. The indicative for the two outer years of the **MTREF period is R1.47 billion and R1.56 billion** respectively. Included under debt impairment is a provision for the expected consolidated collection rate of **82%**.

Fellow Councillors, the budgeted depreciation amount is **R382.45 million** for **2023/24** (Adjustment Budget **2022/23 R347.00 million**). The provision is showing an increase of **R35.45 million (10,22%)** for the 2023/24 budget year.

## Bulk Purchases

In preparing this budget, we have also taken into serious consideration the implementation of the latest version of Municipal Standard Chart Of Accounts (MSCOA) with regard to tariffs and bulk purchases.

On the allocations for bulk purchases: electricity increased by **4.7%** amounting to **R98.76 million** against the **2022/23** adjustment budget amount of **R2.1 billion**, to the proposed new amount of **R2.2 billion** for the **2023/24** budget year. The allocation for the two outer years of the MTREF period is **R2.3 billion and R 2.41 billion** respectively.

Bulk water purchases (Inventory consumed considered together with Other Losses) increased by **2.26%** amounting to **R20.1 million** against the **2022/23** Adjustment Budget amount of **R890.00 million**, to the proposed amount of **R910.1 million** for the **2023/24** budget year. The allocation for the two outer years of the MTREF period is **R997.41 million and R1.09 billion** respectively. Bulk purchases take up approximately **36.05%** of the operating budget for **2023/24**.

Inventory consumed (Consumables, Materials and Supplies, etc.) budget decreased by **5,35% (R5.91 million)** against the **2022/23** Adjustment Budget amount of **R110,58 million**, to the proposed amount of **R104,67 million** for the **2023/24** budget year. The allocation for the two outer years of the MTREF period is **R99,72 million and R104,11 million** respectively.

## Contracted Services

Fellow Councillors, contracted services budget increased by **R27,4 million (4.22%)** from the approved adjustment budget allocation of **R649,57 million** in 2022/23 to a new allocation of **R676,97 million**. The allocation for the two outer years of the MTREF period is **R765,51 million and R788,00 million** respectively.

## 7G

The increase is due to the intention to address the service delivery priorities and the cleanliness of our City. It caters for litter picking & street cleaning, maintenance of parks, cleaning of entrances, tree cutting, repairs and maintenance of roads, unblocking of sewer reticulation infrastructure, attending to water losses due to burst pipes, leakages, maintenance of service delivery vehicles and implementation of revenue enhancement strategies.

Included in the cost of contracted services are the cost of identified repairs and maintenance linked to each element of the expense category. The cost of repairs and maintenance is projected at **R556,59 million** for 2023/24 budget year and for the two outer years of the MTREF period, The costs are projected at **R626,59 million and R656,03 million** respectively.

### Transfers and Grants

Madam Speaker, transfers and subsidies budget increased from the appropriated adjustment budget of **R409,173 in 2022/23** to an amount of **R1,84 million** in 2023/24. The allocation for the two outer years of the MTREF period is **R1,96 million and R2,08 million** respectively.

### Capital budget

Fellow Councillors, the capital budget for the **2023/24** financial year is set at **R1,15 billion** (a decrease of **R86,7 million**) (**6.99%**) as compared to the **2022/23** adjustment budget of **R1,24 billion**). The capital budget for the two outer years of the MTREF period has been set at **R1,2 billion and R1,29 billion** respectively.

The budget will be funded out of Government Grants and subsidies and internally generated funds (own funding) as funding sources. Government grants contribution to the Metro's capital budget will be reduced by **R79,81 million (7.74%) to R951,37 million** in 2023/24, from adjustment budget amount of **R1,03 billion** in the 2022/23 budget year. The projection for the two outer years of the MTREF period is **R986,52 million and R1,07 billion** respectively.

The grants and subsidies contribute up to **81.17%** of total capital funding over the MTREF period. The major grants being the Urban Settlement Development Grant (USDG), Informal Settlements Upgrading Partnership Grant (ISUPG) and Public Transport Network Grant (PTNG).

For the USDG, the City has been allocated **R498,43 million** in the 2023/24 financial year, and **R530,23 million and R554 million** in the two outer years. The USDG is provided directly to accredited or high-capacity metros and municipalities by means of a Division of Revenue Act (DORA) transfer for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities. This grant enables us to create sustainable and integrated human settlements that lead towards improved quality of the people of Mangaung.

Madam Speaker, regarding the **Informal Settlement Upgrading Partnership Grant (ISUPG)**, an allocation of **R280,43 million** in the 2023/24 financial year has been made available, intended to serve as a planning and preparation platform towards the Informal Settlement Upgrading Partnership grant.

## 7H

Amounts of **R289,8million** and **R302,78 million** have been allocated in the respective outer years. Previously this grant was included in the USDG and ringfenced for informal settlement.

Amongst other critical grants through which we were funded, is the **Public Transport Network Grant (PTNG)**. The City has been allocated **R158,2 million** in the 2023/24 financial year, and **R151,53 million and R166,89 million** in the two outer years.

Included in the capital budget are projects to the extent of **R217,42 million** for the **2023/24** year funded through own funds. The allocation of the two MTREF period outer years is **R227,95 million and R238,62 million** respectively.

Madam Speaker, as part of our engagement with community and stakeholders, after the tabling of the draft budget, we received submissions and inputs from communities, NGO's, Educational Institutions and National Treasury and these inputs were incorporated accordingly in the final draft.

Let me emphasize this Madam Speaker, this MTREF budget was thoroughly scrutinized by National Treasury and the feedback we received is that, today we are tabling a credible, relevant and sustainable budget. Accordingly, this budget is confirmed to be funded.

For we can no longer tolerate making operational spending commitments that are not linked to our own revenue sources for their funding. Hence, we conducted few sessions with the officials to get their sleeves rolled up, encouraging them to leave politics to politicians and focus on their respective professions and services in serving the people of Mangaung.

We must be honest that we have allowed financial crisis and governance failures to entangle around us. Together we must devise strategies to free ourselves. We will never rest until we escape this serious fiscal risk we face.

It should be noted that owing to our difficult past, both the Ministries of Finance and Cooperative Governance and Traditional Affairs (COGTA), sent a team of experts to assist the Municipality in the administration and financial recovery. We wish to extend our sincere gratitude and thanks to the work of these teams, and hope that at the time of their departure, our institution would have grown from strength to strength.

We have also set up a War Room to ensure that service delivery is conducted in an integrated manner, and in the spirit of transversal management as the National Treasury encourages. Other mitigating strategies to enhance institutional performance include:

- Supply Chain Management Committees to prioritise grant-funded projects;
- Establishment of the Project Management Unit;
- Prioritisation of the resolution of the contract management issues;
- Ensuring that contractors are paid on time;
- Fast-tracking appointment of contractors and consultants involving emergency procurement where necessary; and
- Adoption of panels to minimise risk of non-expenditure where there are instances of poor performance.

The office of the Acting Executive Mayor has been inundated by call, emails and all forms of communication from fellow Councillors, members of the communities to attend to the frustrations of spillages, sewer leakages, collection of refuse and to this, we have been faced as the Municipality by limited resources. We invited fellow countryman to work around cleaning our City, and we would like to thank those that came to work alongside with us, to provide their labour, resources and equipment, to work alongside with us to enhance in answering to calls from fellow Councillors, members of the society asking for the Municipality to address some of the limitation that we are faced with.

In our activities and engagement with the people of our Metro, there were pertinent questions that were asked, one of these questions were:

- *when are we getting the people to enhance the workers by ensuring that, we clean our City?*
- *when are we bringing the zoo back?*
- *Are we serious in ensuring that we work with the Celtic fans to bring Celtic home?*

These were critical questions that were asked to us Madam Speaker. We are putting these questions before the Council to say, it is your fiduciary duty as Councillors to provide answers to some of these critical questions. The list is long Madam Speaker, of the questions that were put before us. When are we ensuring that, we get rid of potholes? We had limited answers to these questions.

One of the hope that we placed before our people, was that we will sitting before the Councillors and tabling a budget that will address some of these limitations that our people were making reference to. It is on that spirit and that understanding Madam Speaker, that to give answers to some of these pertinent questions, it is therefore my great honour and privilege Madam Speaker, to table before you, this budget **2023/24–2025/26 Medium-Term Expenditure Framework (MTREF)**. I thank you, Madam Speaker.”

**Cllr LM Tidi-Odili remarked:** “Thank you, Madam Speaker. I just want to apologise to the Councillors that because of my knee problem, I just request to make my speech while sitting down as I won't be able to stand up. Thank you, Madam Speaker, Acting Executive Mayor and the Council Whip and Honourable Councillors.

Madam Speaker, I just want to appreciate the Portfolio Committee of Finance regarding the engagement, robust engagement that we had about this budget and I believe that our engagement as the Multiparty Committee, we will really assist by taking this Council forward.

Madam Speaker, I was happy yesterday when I was listening to the City of Joburg budget proceedings. They have challenges exactly like our own Municipality moreover the multi-party that is serving to that Metro Municipality engaged thoroughly on the budget and they put citizens of Johannesburg first.

In all matters that they were having within the Council, I hope Honourable Speaker, even in this Council today, we will do as City of Joburg.

Honourable Speaker, Section 153 of the Constitution requires that; a municipality must structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community and to promote the social and economic development of the community.

The MFMA together with the Municipal Systems Act 2000 aims to facilitate compliance with this constitutional duty, by ensuring that the municipalities prioritize plan, budgets, implementation action and reports are properly aligned. Honourable Speaker, the Executive Mayor alluded more on the Council priorities and funding, but I want to put emphasis on the ESKOM and the Bloemwater bulk accounts issues. That the City must have a healthy intergovernmental relations.

The Municipality budgeted R3.11 billion to ensure that there were no conflicts between Mangaung and those entities as it would affect the communities. In the Portfolio Committee, Councillors emphasised the issue of proper budgeting for Bloemwater and Eskom. That the provincial government and the national government must also do so, so that everyone stick to the agreement of payments between Mangaung and Bloemwater, CENTLEC and ESKOM.

Honourable Speaker, the same budget that we are tabling today, we managed to decrease from the draft budget, the amount of R120 million to ensure that when National Treasury is assessing this budget, it is credible, relevant and sustainable.

Honourable Speaker, I just want to put in front of this Council that when this budget was drafted, it was drafted based on the collection rate of 82%, however National Treasury have their own criteria in terms of assessing the budget that Mangaung submitted, they just put it in different categories.

Honourable Speaker, the National Treasury indicated that, the collection rate of CENTLEC is stated as 95%, the National Treasury, however they put it on 91.5%. in terms of Property rates, it is stated as 95% and National Treasury put is as 94%. Any other services collected, is still on 55%. Our officials really attended the benchmarking at the National Treasury as it is the one that is monitoring our budget, whether it is done correctly or wrongly.

Honourable Speaker, I just want to indicate that in terms of the MFMA, the MTREF Budget, is a financial plan which enables the Municipality to achieve its vision and mission through the IDP strategy, which is informed by the development agenda and community stakeholders inputs. You know exactly, Honourable Speaker, as the City, we have five pillars that our budget must talk to. The spatial transformation, which is made clear in the 280 of the informal settlement grant. The Executive Mayor also mentioned that, for economic growth, the Fresh Produce Market budget has been increased by R15 million. Service delivery as one of the Council priorities, the amounts as alluded to, to reduce the pressure in terms of leakages, sanitation (eradication of bucket and vip systems) as the City, status of roads within the City.

Honourable Speaker, I even remember that Honourable Cllr D Leech was asking if the contracted services for repairs and maintenance had the same amount? In this budget, the contracted services from the budget has been increased to ensure that it assist in the number of labour that the Municipality had.

That for repairs and maintenance, the Municipality was in the norm of 6%, which should be at 8%. The budget is credible, relevant and sustainable, but we must work hard as the City to make sure that we collect more to reach the norm of 96%.

Honourable Speaker, as the African National Congress we are really supporting this budget and mentioning that, those who are owing the Municipality, must pay in order to achieve the plans and strategies that have been put forward by the Council for the benefit of the community of Mangaung. Thank you, Honourable Speaker.”

**Councillor DMC McKay addressed the Council:** “Madam Speaker, Through you to the Acting Executive Mayor, Sir I refer to you as you are the person that tabled these items and thus the buck stops with you. Sir, the DA is well aware of the challenges this Metro faces and the reasons why we are in this dilemma. We are also aware that unfortunately you inherited these problems created by your predecessors. With this IDP Review and Medium Term Revenue and Expenditure Framework you were granted the opportunity to turn it around. Unfortunately, you did not grab the opportunity to put politics aside and work with the opposition parties to put forward the best options for the residents of Mangaung. Sir this IDP Review does not speak to the needs of the residents as reflected in this document nor does it correlate to the Medium Term Framework.

Let me start with Human Settlements, none of the much needed mixed-use urban area developments have served at the Human Settlement Section 80 Committee (even though Vista Park 2 and 3 and Hillside View have already been allocated to private developers), nor do any of them correlate with any line item under infrastructure or rural development. By your own admittance there is a serious lack of integrated infrastructure planning and implementation. The displacement of the Vista Park subsistence farmers to Martindale is a perfect example. I truly hope more planning will go into the relocation of the Brandkop 702 subsistence farmers.

Moving on to our water crisis, Mangaung is geographically situated in a semi-desert area and as such endures a fair amount of hardship due to it's hot, arid climate. On average it receives between 500mm and 550mm of rainfall per year. The population of approximately 860,000 is spread over an area of 9,886 km<sup>2</sup>, of which 96% is concentrated in the 3 Urban areas, namely: Bloemfontein, Botshabelo and Thaba Nchu. The remaining 4% in Dewetsdorp, Wepener, Soutpan and Van Stadensrus; 95,9% of these residents are directly reliant on water supplied by the Metro by one means or another.

The Metro is facing a challenge of aging infrastructure, which is busy collapsing due to a lengthy period of lack of maintenance. Daily, more and more pipes are bursting and the backlog is growing. According to the 2022/23 Auditor General report, 45% of income derived from water is spent on water losses caused by leaks (82%) and illegal connections (18%). This equates to R400 million plus per annum in wasteful expenditure by the Metro, not to mention the precious purified water lost in this arid water-scarce environment. All of which you acknowledge in this document.

So it really confuses me, that when presented with a feasible, viable and sustainable solution, you choose to ignore it and leave the “tenderpreneur feeding trough” option of vehicle lease on the budget. I will reiterate our proposal to you again.

Surely it makes more sense to purchase than rent? Economics 101, will tell you that purchasing adds assets to your portfolio, while renting lines the pockets of another. R8,5 million of the R15 million allocated to future rentals of fleet, under Mechanical Work, should be allocated to purchase 14 bakkies and R100,000 standard equipment and material per bakkie for the valve and reticulation teams, this will enable them to speedily attend to the leaks and illegal connections, thus vastly reducing the current water loss and R400 million per annum wasteful expenditure. In addition it will reduce our overtime bill as currently teams are forced to work overtime to try combat the backlogs, as that is when vehicles and logistic resources become available. (as a side note: if current trend of pipe bursts and delayed repairs continue, it will easily rise to 60% of water revenue, which equates to roughly R550 million loss for 2023/2024 financial year.)

The R6,5 million balance can be allocated to sanitation to buy 3 Hydro-blasters and 7 Bakkies. This will go a long way to rapidly unblocking blocked municipal drains and thus preventing the possible spread of cholera. This brings me to roads and stormwater: although there seems to be priority placed on resealing of roads and pothole maintenance, there is very little mention of gravel road maintenance. No mention of any earth moving or road maintenance vehicle purchases. There are currently no operating TLB's, Excavators, Compactors or Rollers and apparently there are only 2 Graders and 4 Tipper trucks operational for the entire Mangaung Metro!

If the needs of the residents were reflected in this reviewed IDP, which indicates that the all of wards that have gravel roads complained about their condition. Yet there are no line items indicating any implementation and where is the mining grant? Why is it not being utilized to purchase earth moving and excavating vehicles and quarry mining licenses? Why has the refurbishment of the much needed and publicized Spitskop and Bainsvlei stormwater system been totally removed from the 2023/24 framework? Are residents just expected to live with their homes flooding every time it rains 3mm or more? You do realize that the reason the gravel roads are in the state they are, is mainly due to the lack of proper storm-water channels to relay the water from the roads. Please don't be penny wise and pound foolish. Prioritize the storm-water and gravel road maintenance in all peri-urban and rural areas.

(Another side note: 17% of the metros revenue comes from rural and peri-urban areas, yet their needs are ignored. If the residents in these areas decide to go forward with the rumoured tax revolt, it will have a devastating effect on the Metro. The funds originally allocated to water and sanitation along with the mining grant, will now be available to purchase these vehicles. That is if you implement our suggestion to relinquish the R15 million allocated to rentals.)

In closing Mr Executive Mayor, please rethink the funds you have budgeted for the weighbridges at the unfenced landfill sites, as they have as much use as the budgeted bulletproof vests for the Metro Police ghost workers. Finally, I beg you, become the change you want to see! Set politics aside and see the merits of our proposals, withdraw this item, make the changes and bring it back in 7 days."

**Councillor MA Morake addressed the Council:** "Honourable Executive Mayor, Chief Whip, Mayco Members, Councillors, officials, the MEC COGTA and Finance. I will emphasize on the issue of the process of Integrated Development Plan or IDP and also on the issues of performance and how as the City we are going to tackle this, as the Executive Mayor has just presented the budget.



## 7M

Madam Speaker, as Council, we are governed by various pieces of legislation, among them is the Municipal Finance Management Act and the Municipal Systems Act, establish the accountable and people driven democratic governance.

The review of the City's IDP 2023/24, followed by the IDP and budget process plan that was adopted by Council in 2022. Furthermore Section 17 and 18 of Chapter 4 in the Municipal Systems Act, which provides the means or mechanism to communicate, as such the City adhered to the act utilized to communicate with communities and other state processes including the internal structures; we are also encouraged to participate and be afforded to the political to make comments, inputs and submissions as a required.

We feel this integrated development plan of 2023/24, as Council we are putting the implementation action on this team of the Executive Mayor. The reviewed 2023/24 Integrated Development Plans and correspondence of the Medium Term Revenue and Expenditure Framework (MTREF) will continue to set strides since the beginning of this term, influenced by the City strategic development priorities. The City has since refined their priorities into five development objectives to advance the goal of achieving the set targets.

We remain committed to the following:

- spatial transformation and economic growth. We know that communities have encouraged us to review of our local economic development strategy, which we are going to work towards, in making sure that we review it which will couple with economic development summit as presented by the Executive Mayor.
- service delivery improvement. We know that we have the aging infrastructure when you look at the budget, there is a sewer and water refurbishment programs. There is also water refurbishment program which we are currently refurbishing at the Hamilton pump station, currently operating at 2 valves but after completion of the project, would be operating at 12 valves and that will supply the whole Mangaung with our own water and that would be saving approximately R14 million per month for this City and those are some of the key projects; upgrading of Maselspoort treatment plant, which is the source of our own water as Mangaung through the water recycling process.

Those are some of the things, in terms of turning around aging infrastructure.

We want to thank the national team , as it was possible with them. They presented to the National Treasury War room and that is why we are afforded an opportunity to have a budget or some funds to deal with the aging infrastructure hence you see spillages all over. The Acting Executive Mayor is on point that we are going to deal with it, because we now have the money to be able to fix this sewer spillages.

We also have a very serious problem, Honourable Speaker, vandalism of our infrastructure and also cable theft which is costing millions of rands at CENTLEC and our own infrastructure being vandalised by our communities. We are encouraging and calling to all community members to report such act at the nearest Police Station, to make sure that they do not have an interrupted services, we had pump station bursting because of theft etc. Those are some of the issues that this budget is going to address.

Madam Speaker, with the content of the Integrated Development Plan, influenced by the various activities that took place, beginning of public participation sessions over and above, the City has taken the inputs and comments by the broader stakeholders in consideration before the final decision. We will make sure that, as IDP and Performance, we will definitely table the SDBIP of which the Department would be monitored.

There is no stage where, we would not have an oversight and wait for the quarter to finish. They must present those plans to all Councillors, to say in this quarter, the 10 projects as well as due dates for those projects, so that we speed up service delivery to the community and put more pressure on officials to do their work and take decision to make this City to progress. No stage where we are going to wait for the quarter and send document to Council, just for compliance. We would have as this Council, satisfied our selves with the implementation and the progress of the proposed projects as per the budget presented today. This is the commitment of the new Acting Executive Mayor to the public of Mangaung, to say, we are going to be more hands-on as an approach to make sure that, we fulfil community needs and aspirations in strengthening our democracy. I thank you, Honourable Speaker.”

**Councillor D Leech addressed the Council:** “Madam Speaker, the Democratic Alliance would like to commend the officials for the work done in terms of the annual budget presented before us today. We believe that officials took note of recommendations made with regards to the draft budget and that subsequently a few changes were made.

The DA made the following proposals in terms of the budget:

- With regards to the property rates we proposed a zero percentage increase as to the proposed increase of 5.3%. The final budget however still indicates a 5.3% tariff increase. Within our recommendations we argued that residents in effect had two increases during last year, one on tariffs and the other due to the increase within the valuation roll. Although it is not a legislative requirement to not increase tariffs parallel to an increase in the valuation roll, COGTA guidelines clearly specify on the matter and it has subsequently become the norm and common courtesy throughout municipalities. This line item also forms the biggest part of an owner’s account, thus should one previously have paid R 2000 per month for property rates, the new amount will now add up to R 2106 per month.
- In terms of electricity tariffs, the DA indicated that we welcome an increase of 7.99% but that this was not in line with what was indicated within block tariffs and that it furthermore would much less than what NERSA prescribed. Eskom on the other hand will raise an 18.4% tariff increase. Taken these comments into consideration the Metro has now adjusted the proposed tariff increase to 15.1% which is more in line with the above.

The increase in revenue on this line item is still only indicated at 7.99% which is a contradiction to the proposed 15.1%, thus amounting to a discrepancy of R236 million. Revenue losses due to loadshedding currently amounts to R85 million and a further R20 million due to damage to infrastructure. Although these increases are in line with national prescriptions one should not forget that it is indeed the ANC whom has led us to this disaster and who is now once again expecting the private sector to bail them out.

- Water was initially indicated at a 12.7% increase in tariffs and a 15.2% increase in revenue which would have in practice meant that should one's water account currently amount to an R 1000 per month, your new account would from July be R1127 per month. Here the DA also submitted numerous inputs and proposed an 8% increase as it would be extremely unfair to expect of residents to fund the R470 million in water losses. The Metro subsequently changed the proposed tariff to an average of 9%.
- On refuse removal we again proposed a zero percentage increase. Here we would like to indicate that a zero percentage increase, does not mean that the said department won't receive any money, it simply means that they will not receive more money in terms of revenue as what they did during the last financial year. Furthermore funding which is needed to acquire fleet would come from the capital budget which is funded through grants. Our sentiment regarding this line item was influenced by the fact that this is one of the worst performing departments within the Metro.

Refuse is not removed on a weekly basis whilst this department is also the biggest contributor to overspending on overtime. Until such a time that fleet is obtained, property maintained, an effective and sustainable alternative to overtime is implemented, and refuse is again removed on a weekly basis, it will be absurd to even consider expecting of residents to pay even more for the service which they are currently not receiving. The proposed tariff increase is set at a ridiculous 8%.

- Sewerage or sanitation charges are proposed by the Metro with a 5.7% increase, within the draft budget it was proposed at 2.6%, while the DA proposed an increase of 4% on the basis that the additional revenue mainly be utilised to tend to continuous sewer blockages. The amount allocated towards sanitation on one's Municipal Account is much less than property rates and a larger percentage raised on the amount would not necessarily have such a large impact on one's budget. For example if your property rates is R2000 pm your sanitation would most likely be within a R100 to R200 bracket per month. A 4% increase on R200 amounts to R8. We further argue that additional revenue through this line item should be allocated to the expenditure on by repairs and maintenance. The final proposed increase by the metro is set at 5.7%
- With regards to revenue raised through fines and penalties, the Metro only foresee a 0.9% increase which amounts to an increase of R275 000. Thus while the officials from the Metro Police department recently won their case and is now of to the Labour Court. One cannot help but wonder how these salaries will be paid and possibly retrospectively as well. This is a clear example of what should be included within a financial recovery plan as revenue could substantially be increased by official just doing their jobs, I mean have you seen how people drive within this Metro not to mention the numerous illegal businesses currently not paying business tariffs while decreasing the property value of their neighbours? The DA suggested a 7% increase which would have amounted to R32 million. The above revenue through tariffs funds the operational budget specifically utilized for the following expenditures, here the DA also made a number of alternative suggestions:

## 7P

- In terms of employee related costs, we welcome the decrease in overtime with R10 million, but the salary bill remains at an all-time high amounting to R2.45 billion. Expenditure on this line item will increase by 9.13% totally to an amount of R204 million.

It must be indicated that the salaries of current officials will not be increased by 9%, but that an additional R134 million has been allocated in order to create more positions. The DA has proposed that the increase in expenditure with regards to salaries be in line with what was agreed upon with the unions and that additional positions not be created, but that the current vacancies already budgeted for, be filled.

Information received indicate that only 60% of the vacancies within Mangaung are currently filled. Through you Madam Speaker, Executive Mayor, it is not positions and cadre deployment that deliver services but rather fit for purpose officials whom honour their performance management agreements. The changes to both the macro and micro structure will have a further financial impact on the budget. We sincerely hope that a written proof is still to be submitted to Council, that the relevant approval was obtained and the prescribed processes followed to change these structures, because if not, it will lead to further irregular and wasteful expenditure.

With regards to contracted services, the Metro decreased the amount with R45 million as to the proposed amount of R720 million within the draft budget. To the contrary the DA suggested that expenditure on contracted services be increased to R820 million, as repairs and maintenance is no longer a separate line item but falls within contracted services. The DA thus allocated R154 million more to service delivery as to the amount of R676 million currently budgeted. A municipality's core responsibility is to deliver services not only through its capital projects but especially on a day to day basis where infrastructure should be maintained and repairs are needed.

History has further proven that, the officials lack the resources and in some cases the will power and ability to sustainably deliver basic services, regardless of the fact that they earn salaries which are way above the threshold. We therefore need external independent contractors, to with the necessary resources, equipment and material, gets the job done.

Transfers and subsidies are mainly paid to the SPCA and the DA welcomes the increase of 6.85% amounting to a total of R398 million. We would also like to thank the SPCA for their dedication on continuous work under very difficult circumstances.

Bulk purchases which mainly speaks to the purchasing of electricity, has increased by 4.7% amounting to R2.2 billion. The DA proposed a 15% increase as it is more in line with the 18.4% increase charged by ESKOM. We thus foresee a huge cap within this item which will most likely have to be corrected within the adjustment budget. The DA's proposed 15% increase on expenditure towards bulk purchases would have amounted to R2.4 billion.

In terms of inventory consumed which relates to bulk water purchase, consumables, materials and supplies the Metro proposes a decrease of 5.35%. The draft budget indicated an increase of 14.89% which the DA welcomed. The new amount budgeted will now be R104 million as to the R110 million budgeted within the draft budget.

## 7Q

We do not agree with this decrease and predict that this will have a direct impact on the repayment of Bloemwater where we currently owe just under R600 million.

The Capital budget has furthermore been decreased by R86.7 million a direct impact of mismanagement and irregular expenditure where grant funding was used to pay salaries and outstanding water accounts. Perhaps this explains why creditors are also now being paid regardless of the fact that our own debtors account is still more than R9 billion.

This brings me to our final input which relates to debt collection and the collection rate on our current account. We are pleased to see that the Metro has this year considered a collection rate of 82% although the DA feels that this is being too positive taken into account the metro's track record in recovering debt. National Treasury has however proposed a 95% collection rate for Centlec, a 94% collection rate on property rates and a 55% collection rate on all other line items.

In addition to this the DA would have preferred to have seen the cash statement which outlines these collection rates in order to have had the final figures with regards to revenue and expenditure. We further believe that this collection rate has been worked out on the number of clients or then accounts rather than the total outstanding amounts. This has a tremendous effect on expected income and we do not foresee that the Metro will be able to source the finances needed to fund the expenditure as currently listed. It is furthermore of great concern that the Capex expenditure was decreased with R120 million as an attempt to fund the budget.

One should have hoped that the Metro would rather have cut on salaries and would have put measures in place to tend to overtime and to enhance the income through for example fines and penalties. The Democratic Alliance has proposed that the Metro rather work on a 70% collection rate and that if the above were addressed the income would still have been enough to cover the expenditure on a more realistic projection. Regardless of National Treasury's indication that this budget is funded and sustainable, the DA differ from this view and has based our projection on previous financial and audit reports. Thank you, Madam Speaker."

**Councillor NA Nhlapo addressed the Council:** "Thank you, Honourable Speaker, my colleague had just advised that I acknowledge all the guests, therefore all protocol observed before I risk missing one of our esteemed guests.

Madam Speaker, as the African National Congress we welcome the reviewed IDP for the 2023/24 financial year. In our manifesto as the African National Congress, we had pledged to listen and have opened channels of communication with the community. We understand that this performance review is informed by our will to adjust our focus and operations as the Municipality in order to meet our sales targets and objectives.

Madam Speaker, it is also common understanding that this performance review has been informed by our IDP meetings which took place in our respective wards where indeed the residents of Mangaung expressed their inputs, highlighted their aspirations and raised concerns and highly emphasized their dissatisfaction. We need to review our performance based on the mandate that they have given us through these processes.

Marching on the residents mandate, the City considered the annual report for 2021/22 financial year and its audit outcomes aimed to address some of the challenges that have been highlighted. As the ANC we also note with great concern the performance reports of the institution in terms of its service delivery and budget implementation, hence the need for us to prioritize our focus and operations in order to meet the needs of our communities.

The African National Congress we know to the strides and the plans that are tabulated in our IDP that are directed towards the City's IDP strategic objectives which have been mentioned by the previous speakers which is:

*spatial transformation,*  
*economic growth,*  
*service delivery improvement,*  
*financial health improvement and*  
*organizational strength.*

Madam Speaker, with the latter said, as the ANC would like to take this opportunity to thank the residence of Mangaung, those who participated in the IDP processes. It is indeed through your inputs, engagements, voicing your concerns and this dissatisfaction that we will indeed realize the ideal of building better communities together; with that being said, allow me to qualify the budget by highlighting its direct alignment with the IDP, which by the way, that it speak up the very same public participation process that took place in our respective communities were also members of the other benches participated, attended, mobilized and some of them also chaired.

Honourable Speaker, firstly as mentioned, one of our IDP strategic objective is in previous service delivery, all the community input that we have went through, their aspirations concerns and dissatisfaction that they have submitted, and bearing in mind the financial constraint that this institution faces with all due respect. Madam Speaker as the Council members and leaders of the City, now the prevailing question of the day should be, *is this budget speaking to the objective of service delivery?* Councillor DMC McKay also indicated that the City is experiencing decaying infrastructure which is true, we are not disputing that, but where we differ is where he says that the IDP does not cover the needs of the residents of Mangaung let me qualify that.

Madam Speaker, as a resident you may ask: *does this budget prioritize refuse removal in the City?* The answer is, yes! and you may ask as a resident, *what is its position?* What is it saying regarding that R17.7 million has been budgeted for sustainable refuse removal solutions reserved for SMMs, additionally R37.2 million has been allocated for effective fleet management solution. Secondly as a residential also ask because this is your budget, *we also ask is this budget addressing the potholes that I face every day on the road?* The answer is yes! The Council budgeted R30.5 million for maintenance, addressing potholes, graveling of streets and cleaning of stormwater channels. An additional R18 million is budgeted for upgrading of roads including reconstruction.

Once again you may ask as a resident, *is this budget addressing the issue of sewage spillages in the City?* R50.9 million has been budgeted towards unblocking and maintenance of sewer reticulation infrastructure including emptying of pit latrines. Furthermore R68.8 million has also been budgeted for sewer infrastructure, now due to time, I'll skip to the spatial transformation objective.

Madam Speaker today we may know that most of the time when we have such meetings that discuss the budget we have members of the other benches that will always say that if it doesn't have land issues, they will not support. The budget has prioritized R59.1 million for completion of Vista park development. Secondly, the second highest allocation Madam Speaker of this budget is going to be upgrading of informal settlement with R280. 4 million to be exact, as we speak land and availability of sites is allocated R23 million. Rural development, furthermore initiatives are located R29.8 million.

Madam Speaker I want to take this opportunity to do something that this house usually omits, especially when we are discussing budget matters and that is to really to use this opportunity to also thank the residents of Mangaung that have constantly been paying their services, that have been drained out. In our manifesto as the ANC, we did pledge to deliver services promptly and consistently. We did pledge to do and be better; with that said as the African National Congress, we support the budget as well as the reviewed IDP. I thank you, Madam Speaker.”

**Councillor GJ Lipale remarked:** “Thank you, Madam Speaker, Honourable Executive Mayor, Mangaung for the first time that we have our first lady as a guest, things are done differently this time. The Executive Mayor, shame wa zama, indeed trying to bring some stability in the Metro. I always tell people that, government released Nelson Mandela 20 years later, we wouldn't be where we are. The question is, are you the Executive Mayor 20 years later?

Is this budget for administration or is it going to be practical, that is the question because we can budget for potholes and stuff like that and if not going to close those potholes, the citizens of Mangaung have been exposed to living and swimming in potholes, living in terrible dilapidation and shockingly inhuman degradation. We are all aware that nothing has been taking place to enhance the City, aside from ANC faction wars. Since they are only interested in lining their own wallets and maintaining their positions of authority at the expense of others, based on the demands and happens in the budget of the fiscal year is shockingly smaller than the other end.

For informal settlement, the budget always has something to say about letters like relating to the pool but in actual fact we have nothing to show for it on the ground, there is no single informal settlement which has been formalized. We have gone through other previous budgets, they have been saying a lot but it seems as if money has been sent back to Treasury in terms of formalizing informal settlement. Mangaung has one or two informal settlement in need of sewage system excellent movement and other infrastructure since Africans constitute a large number of people in informal settlements. Secondly they should be given first priority, in addition the R291 million should be fully accounted for in the upcoming fiscal year we are sick of every budget being presented as though it is for the benefit of our people when in reality it is only for administrative purpose.

We want the informal settlement like Matlharantlheng, Khayelitsha, Gatvol, Monnahalatwe, Mountain View and many more to come into the light and be well developed since the EFF is completely opposed to the land purchase. R40 million that is being budgeted for and as opposition parties, we don't believe in land purchase so we expropriate land without compensation. The unfortunate part is that Executive Mayor, your own comrades tomorrow will be enunciating there are deals which are being concluded behind closed doors.

There is R14 million set aside for such purposes, either to identify the usable land that is safe for the community to remain on, in order to give people liveable sites. The money be used to develop and build good infrastructure for the settlement, water and sanitation in Phomolong, Phase 6 and other areas, we already have few projects. We need to ensure that there will not be any corruption with these projects. We must also encourage our businessmen regularly, I was passing by Lemo Mall, I discovered that the owner was upgrading the park in Namibia as well as the roads and sewerage systems. Afterwards we conversated, I then informed him that he is giving back to the community and that is what we should do in Mangaung. Businessman must give back to communities, I invite you and your colleagues Mr Executive Mayor to go and see what is being done in that area, however they mentioned that they will be finished with the upgrade on Monday.

On water and sanitation, we are faced with a lot of sewer spillages in this Municipality. There are 187 water projects currently in progress, which are valued at a hundreds of millions of rands. Maselspoort, Thaba Nchu and many more projects are so crucial, that they only require careful monitoring. People in Mangaung are unable to even drink from the taps, due to the filthy water and thus, these demonstrates how important these projects are.

We have various parks that are not operational and unfriendly to our residents. The City has a zoo that is no longer discussed or even taken into account when creating the budget. The swimming pools infrastructure are terribly deteriorating and are poorly maintained. On rates and taxes, the EFF does not agree to the increase in tariffs because the Municipality has failed to provide services to our people. Why should communities pay for services when graveyards, sewerages and water leakages, on the other hand the entire City is generally dirty. We are on this side of the marginalized and the downtrodden masses of our people, we are aware of big companies, provincial departments who are not paying the money that is due to the Municipality. There are numerous dumping grounds since there is no waste collection in contrast to the so-called reclaiming the City campaign of the ANC, cleaning campaign using the banner of the Municipality as the ANC led Municipality, however they are not cleaning, nonetheless the EFF will do it on their behalf.

The Metro needs to change their stand point in increasing the tariffs or while CENTLEC's tariffs are determined by NERSA and ESKOM. The indigent list, the EFF requested that the names of those who qualify, those individuals must be made public so that they can identify and prosecute anyone abusing the system of scamming the Municipality. We presume that even government officials as well as Councillors form part of the indigent list, therefore it would be effective if the Councillors could receive the list to scrutinize whether the rightful persons are on the list. Thank you, Madam Speaker.”

**Councillor M Wewege remarked:** “Honourable Speaker and all protocol observed. The Freedom Front Plus is committed to promote the interests of all residents regardless of their race gender or social status. Looking at the proposed budget it is evident that the ruling party does not have the same interest at all for the people of Mangaung who runs trusted them with their votes. We believe that in a democratic society everyone deserves equal opportunities and access to service delivery to live a quality life. The 2023/24 budget is supposed to highlight the priorities and objectives that the Mangaung Metro is facing for the upcoming year.



It is essential that we as Council ensures that every financial decision we make, is in the best interest of our residents. The Freedom Front Plus believes that the economic growth and job creation are critical to tackling poverty and addressing the high unemployment rates in our land. Therefore as our party, we support any initiatives that will attract new businesses to our municipality and will help create sustainable employment opportunities.

Unfortunately this does not reflect on the papers in front of me. I will begin with the SCM policy that still does not allow the Council to fulfil its oversight report, taking note of the Municipal Manager report. Furthermore Council cannot approve cost for any suppliers or contractors only based on the total amount, preferential points system and the suppliers name. we cannot just accept that the Municipality paid R78 000 for bottled water over a certain period. This is not proper oversight what did the Metro by proper people vote for bottled water, die probleem is, onreëlmatige spandering moet meer deursigtig wees en die Raad het `n reg om te weet wat is die kontroles wat in plek is, om onreëlmatighede uit te wys en te voorkom, of die proses word gemanipuleer of die verskaffers vat kans om pryse onnodig op te stoot.

Furthermore, the Freedom Front Plus still rejects the obsessed BEE principles applied to all procurement procedures. BEE is a system that does not uplift any individual on ground level, it is a Black Elite Empowerment scheme that only benefit the already advantage elite spheres with the funds earmarked for job creation.

Moving on to property rates. Residential property rates are estimated to increase with 5.27%. Although this is in line with the inflation rate, we feel that this increase should not be implemented because residents had to face double the increase in 2022 due to:

- new valuation increases
- property rate increase, simultaneously.

We also suggest that properties that are used for the purpose of trading and game hunting should be included under multi-purpose properties when determining the property rates. We as local government, cannot change regulations put in place by national government, but we can put measures in place to reduce the heavy financial burden on our business. I would like to point out the following faults in our service delivery rate increases:

*Water:* The average water-tariff-increase on the sliding scale comes down to 7.94%. This average is excessively high especially in the 16 to 30 kl/ month category and the 31 to 60 kl/month category, with an increase of 8% and 9% respectively. The Freedom Front Plus does not approve these tariffs should they be increased on account of demands prescribed by the supplier; in this case it is Bloemwater. We demand that the Executive of Bloemwater present this proposed Service level Agreement to Council for approval. And therefore, it should be published for public participation as per the prescriptions of this country, before it is finalised.

*Refuse removal:* There is a 7.8% average increase in refuse removal for properties with a size of 601 to 1500 square meter that represent the largest part of our rate paying residents. If you take in consideration, that no matter what the size of your property, you are still only allowed five refuse bags per week, and in our current state is only removed maybe once a month. This increase is unreasonable and not at all in line with the current inflation rate.

*Sewerage:* The tariffs for sewerage are currently linked to the marked value of each property. Currently a property valued at R1 million that is occupied by 4 residents will pay the same rates as a property with the same value that is occupied with 10 residents and generates more than double the quality of sewerage. Dit is wat tans in Universitas gebeur, huise word omskep vir studentebehuising maar die eiendom word nie geherransoneer. The same principle applies to business properties. If the sewerage-tariffs-policy stays as it is, the rebates applicable on property rates should also be applicable on the tariffs for sewerage. It is the responsibility of the Municipality to ensure that the correct tariffs are levied to each property.

*On the IDP:* Deriving from public participation, it is clear that the budget does not speak to the needs of rates paying residents. For example, the IPTN bus project is not a need for residents and will not generate any income to the Metro, the allocation of another R158 million to the non-operational Municipal Transport Network cannot be justified.

Developing new parks: A new fence for the Bram Fisher Building etc is a nice to have, but it is not necessities, and we feel that the budget should be revised in accordance. Resident indicated that sewer, roads and stormwater, refuse removal, and water and sanitation are their biggest concerns. Less projects should be budgeted for rather than having 20 projects and only finishing 1 or 2 is not conducive to progress or development. Grant performance only stands at 30%, at this stage and this is unacceptable, how much funds does the Metro wants to return to National government.

We must remember that capital grants are funded by our income tax, that is money that comes back to our residents in the form of Grants to improve the lives of tax paying residents in Mangaung. Every cent that is returned due to underspending, is a slap in the face to our tax payers.

The Acting Executive Mayor asked in the previous meeting that we work together. Honourable Acting Executive Mayor, the opposition parties' comments, please don't let this budget pass before taking our concerns to heart. The Freedom Front Plus cannot approve this budget. I thank you, Madam Speaker."

**Councillor MW Mongale remarked:** "Thank you, Madam Speaker. I have already observed protocol and Acting Executive Mayor I think that you missed an opportunity but that opportunity is not completely missed, it can still be corrected. You missed an opportunity to dedicate this budget to the people of Mangaung because they are the ones who voted for us, since we were not voted by people from Gauteng.

We also want to submit that, we raised the issue of the discretionary grant of R500,000 per ward to assist Councillors. The province and national cannot seem to assist the Municipality with informing the debtors, to pay their outstanding amount whether even the National Intervention Team and the Executive.

The issue of investment summit, the previous Acting Executive Mayor promised that the summit will be provided. They had anticipated that the budget will cover the issue of load shedding, it would have been appropriate for them to indicate it in the budget.

## 7W

Some would argue like it is the responsibility of the National, for the reason that it is affecting the people of Mangaung, there must be a plan on renewable energy in trying to mitigate the impact of load shedding. One example is the solar and gas energy.

Regarding cost containment, on numerous occasions he has been complaining about the 18 bodyguards of National Intervention Team, it is considered as recklessness. The money is not used correctly and it is wasted on other entertainment things, while the people of the community are suffering. The school debts should also be addressed even the matter of Bloemwater can also be mitigated by us dealing with issues of helping the schools to be able not to owe the Municipality by having innovative ways. They can assist and present the innovative ways if only the Section 80 Finance meetings can be convened.

The role of National Intervention Team, I don't even want to engage on it, because as I am very embarrassed because when they arrived here I was excited, but I've eaten a humble pie. Mandatory Financial Recovery Plan as the Municipality who do not know where we are, we were informed that we are at rescue phase and this budget is not talking to that in this regard, *what is our turnaround strategy? How are we going to help this Municipality to get out of the red and to be able to function accordingly?*

The consequence management of those people who have undermined this budget, there has never been any effort taken against them and the report of MPAC and all that but nothing has been done. It has been said that anything related to corruption, should be reported to the police, however when people are being reported they say they are being persecuted. The issue of R100 million that which is unaccounted for during the time of the former Acting CFO Mr. T Sediti, that R100 million there seems to be no one who is willing to address it or is it because it was lost prior to the conference of the ANC, it needs to be traced. The diesel that we are always informed that it is being stolen, there must be consequence management for that. Furthermore investigations must take place and the responsible officials must be brought to book.

The Indigent Policy needs to be reconstructed and there should be a means that is applied to be able to identify people who actually qualify to be on the list. Some of the people have qualifications, but then again when there are government department job opportunities, they are never considered. All those issues need to be taken into consideration. The Municipality debt and that collection policy, we need to revisit it as Councillors, because the National Cabinet Representative have failed us. The Supply Chain Management Policy will never have economic growth in this Municipality for as long as our Supply Chain Management Policy is not in favour of local people, therefore we need to change our policy. The Policy must be re-submitted to the Council to enable the Councillors to panel beat it.

Jobs and tenders should be prioritized for the people of Mangaung, even suppliers and the sponsorships should be given to the local people. The issue of tariffs, we have been raising that; our tariffs are way out of line and they have not been probably thought through. I think what has been done year after year, it was just a religious approach that, it has been increased by 5% but one has ever looked at the GDP nor consider the economic conditions of the people of Mangaung.

Centlec has a training centre that has been accredited as an institute of service excellence long ago, but that institution is not working to the benefit of the people of Mangaung, because by now

Centlec should be training not only electrical people, it should be training mechanical, plumbing and all other fields because they have been given that authority by the relevant SITA . There seems to be no partnership between SITA and Centlec, there should be partnership between at least three SITAs namely: Energy SITA the MERCA and Local government SITA on how they can be able to help in terms of skilling young people, so that they can be able to be employable.

If we don't come up with such plans, we will always have a crisis where our people are always looking for a job but they cannot find a job while there are no job opportunities, it has been said that they are not employable; it means that their qualifications are not relevant to what the market needs and for that to be done or mitigated, CENTLEC is central to that campaign. I am raising this because this is part of the jobs, the duty of this Municipality to make sure that institutions like Centlec works to the benefit of the people of Mangaung.

The Fresh Produce Market must be used in such a way that, it helps our people to be able to access those vegetables and those people who are selling in the township, a way should be made to ensure that they don't sell at a price that will be costly to the consumers or that would not make them to stay too long on their shelves as people are unable to buy, due to their pricing.

All these issues can only be done by a willing Municipality, that has love for its people. We have been accused of not loving the people of Mangaung; we love them more than you we love them; we can take this Council to the Township and have it in Khayelitsha. Madam Speaker, they believe that there should be a tariff imbizo for the people of Mangaung..."

**Councillor NA Phupha remarked:** "Honourable Speaker, thank you. The Acting Executive Mayor, Acting Council Whip and honourable Councillors, dumelang. Mme Magi, mkhozi wami, molo".

Madam Speaker, the public participations are not conducted correctly where community members are given an opportunity to prioritize their needs especially in Ward 8. Our concern as Patriot Alliance is that this Council is imposing the budget to the community of Mangaung, we are now sitting in this august house saying this is the people's budget, when we know the voice of the same people that we pretend to love and never care for.

Motsamai wa dipuisano, baahi ba Khayiltsha ba ntse ba dula pela open canal ho tloha 2013. Ha pula ena, di-pampers di kena ka mekhukung ya bona. Infrastructure ya rona e maemong a sa kgotsofatseng haholo. Batho ba Grassland, Phase 2, ba dula ka hara metsi, ebile ba ga metsi ka di emere ha pula ena hobane there is no proper stormwater drainage system. Baahi ba Gatvol are forgotten, re tla ba hopola hore ba teng le hore ba hloka ditshebeletso ha re atamela dikgetho hobane mokgoa wa rona re jwalo.

Madam Speaker, budget ya 2022/23 re e fetisitse, empa ha wa etsahala letho, seo re se bonang ke metsi a nowang a tletseng hotlthe mona. Di-peipi tse dutlang, di-pothole ke mabitla. Batho ba Mangaung ba hloka di tshebeletso, babang ha bana le motlakatse. Molemo wa hore re fetsise budget ke o feng, when we all know that, it will never be implemented. It is just being submitted for compliance. Motsamai wa dipuisano, budget ena hobane re entse, ebile re dula re di etsa, rona re le Patriot Alliance, re ngogoreiswa ke hore ha ratla mona fela, re sebeta seboka sa batho ba Mangaung."

**Councillor PJ Rampai remarked:** “Kealeboha Madam Speaker. First let me give the young people of our Country the gratitude for what they did in 1976, we believe this budget must give young graduates hope, because there are people who went door to door, to campaign for us and we neglected and let them down Madam Speaker. PEP and EPWP programmes, are not the solution for our young people, they need serious and decent jobs. I remember Madam Speaker, on social media, someone said, ha re swape mesebetsi; ba sebetsang di-officing ba le sebeletsang ba tsebe ho utlwa bohloko.

Madam Speaker, only 40% of water leakages are attended to, furthermore R2 millions of water is wasted every day and the Council is already struggling to pay Bloemwater debt. A water system must be put in place to ensure that water leaks receive prompt attention and the ACDP recommends consequence management to take place, to those employees who don't act. Our children are literally playing in human faeces, that's their way of life. Is it really a legacy that they want to leave for their children. We must begin to see action and stop the endless talks without any proof.

Madam Speaker in this Metro, what steps are being taken to prevent theft of cables and what measures have been put in place to monitor these problems. The ACDP did not see any pre-empted plans in the budget. Madam Speaker without the regular and sustainable income there will be no sufficient cash flow for their day-to-day needs of the Metro. All the projects we see look very nice on paper, new methods need to be determined as to how they are going to attain the income figures.

Things ought to be done differently, if we want to start seeing results Madam Speaker. I conclude with a quote from our member of Parliament Dr Marie Sukers who said yesterday *“among our greatest asset in this Nation, is not the minerals in our crown nor the worth we hold in our values in our world; it is the arrow in our quiver that we can shoot in the future which is like the youth. Our youth is a reflection of hope and this regard our continent Africa and Country of South Africa are rich this asset. When we reflect on the struggle for our democracy, the role of the youth and the ability of a leader to inspire a generation are the key elements when reflecting on it”*.

In Mangaung, we don't see many supporting projects which intend to empower our youth and we propose in Mangaung, Madam Speaker this project must be implemented so that we can support the youth. Re nahanne hore kajeno because it is the youth month, this budget e tlo bang tabled, bana ba Mangaung ba tlo kgona ho benefita ho yona. None of the young people have been mentioned, we hope should this budget be implemented, all the graduates and youth will benefit. I thank you, Madam Speaker.”

**Councillor A Qai remarked:** “Thank you, Honourable Speaker. The Acting Executive Mayor, Speaker of Council and the Acting Council Whip, Honourable Councillors, senior management of the City, and the National Intervention Team, the leaders of businesses, labour civil society, members of the media, distinguished guests, fellow residents of Mangaung. Dumelang, molweni!

Madam Speaker, it is great honour that I stand before you on behalf of the AIC. Madam Speaker allow me first to quote the Marxist agricultural economist and revolutionary Amil Cabral who said I quote *“an obligation of all revolutionaries to tell no lies and claim no easy victory”*. We shall therefore not tell lies and claim easy victory.

Madam Speaker, a budget demands back to basics and present the background and the context of what the City of Mangaung is and what its needs are and what is to be done in the immediate. I will touch a few Madam Speaker, the City of Mangaung is a home of 787,803 comprises of the 465 561 households. Today Mangaung comprises of 7 towns which is Bloemfontein, Botshabelo, Dewetsdorp, Thaba Nchu, Soutpan, Van Standesrus and Wepener. The main economic sectors are community services which is 35.3%, finance 26.8% trade 16%, transport 11.8% and manufacturing 3.5%. Madam Speaker the budget is supposed to be informed by the Integrated Development Plan, the IDP, which are demand of people who are supposed to be consulted.

The budget should not be a product of some high level round of table discussion of the elite but the product of responses to demands interest and aspiration of our people. Madam Speaker, this budget should reflect on what has been the demand of the people through the IDP consultative period. In attendance of the Budget Lekgotla, Madam Speaker it was mentioned by the NCR that all wards must be accommodated by this budget, in order for each to be funded. At the Budget Lekgotla, it was also mentioned that enforcement of bylaws is imperative. The timeframe to resume the operation of the Bloemfontein Zoo and formalizing informal settlement and eliminating the bucket system in the City. They need to fix all speed traps, not only to generate funds, but to promote on driving and respecting the road signs. Increase our revenue collection from the debtors.

Madam Speaker, previously we said that, as the AIC we need to reduce the tariffs and prioritize upgrading of roads and infrastructure. On that one Madam Speaker, I must say we also recognize the effort made by the Acting Executive Mayor of trying to close the potholes around the City. In closing Madam Speaker, the people of Mangaung didn't vote for nice slogans of the political parties but they have voted for better services. I thank you, Madam Speaker."

**Councillor PS Twala remarked:** "Thank you Madam Speaker, the Acting Executive Mayor, Provincial government leadership, Acting Council Whip, National Intervention Team, esteemed guests and the Council at large. It is an honour today we get an opportunity to be part of the tabling to this august house, a budget for a financial year 2023/2024. There has been a great challenge within the Municipality with regards to agricultural livestock roaming around and within residential areas.

The African Transformation Movement has a great concern and will attend to these needs, therefore the budget and plans being tabled today, must also aim to address the above in 2023/24 budget. The Rural Development Department was located R2 million, however looking at the plans of the department, an estimated amount increased to R12 million would be appropriate for the financial year of 2023/24. This estimated amount, will play a vital role in terms of resolving this issue of roaming animals and provide for a municipal pound that will assist with the removal of these roaming animals in our townships.

In this financial year, the Rural Development Department will continue to assist in agricultural infrastructure such as fencing of farms, pig farming unit, municipal pound, groundwater augmentation and relocation of livestock. The 2023/24 budget allocation will thus enable us to continue the journey of our mission.

## 7AA

With that being said Madam Speaker, the African Transformation Movement being in support of this budget, it should be clearly noted that, the needs of the community of Mangaung must be given preference and making sure that their livelihood are well addressed.

We also encourage intense practice of IDP public participation and implementation thereof. Through you Madam Speaker, to the Acting Executive Mayor, you are one gentleman who always preaches unity and working together to overcome challenges. The ATM would like to employ on you Honourable Acting Executive Mayor, to practice what you preach and allow all political parties partake in making sure that this budget is properly implemented and brings positive outcomes.

In conclusion, Madam Speaker, we are certain that working together and improving the rural development in Mangaung will sustain the relationship between the Municipality and community development. I thank you, Madam Speaker.”

**Councillor MM Letawana remarked:** “Thank you, Madam Speaker, Acting Executive Mayor, Acting Council Whip and Acting Premier, let me also say all protocol observed. It is the take of the African National Congress, that Mangaung Metropolitan Municipality must rebuilt, repurpose, and be taken back as an instrument to better the lives of the people. It is for this reason, Madam Speaker that I had to borrow the attribute, the remarks attributed to Karl Marx that says, I quote *“history repeats itself, first as a tragedy and secondly as a farce”*. Today is the African National Congress we want to assure the community of Mangaung that we are on course to rebuild our beautiful City. The age of instability, the period of indecisiveness and political dilemma will no longer be a setback as the new administration led by the Acting Executive Mayor and the entire the Council will continue.

The budget which is being supported by the African National Congress, is a season of hope as we intend to stabilize our City, accelerate service delivery and repurpose this instrument of the people our Metro at a centre of service excellence. The ANC Provincial Secretary, Comrade Polediso Motsoeneng, at the recent Provincial ANC Lekgotla commanded all deployees of the ANC and reminded them that there is no time to waste, we must work with the required agility and speed and it's for this reason that indeed there is no time to waste, Council members. The members of this Council were appointed after the 2021 elections on 21<sup>st</sup> of November 2021.

The year 2023, will mark two full years of the current Council and the term which has not been a smooth ride, furthermore today we must not fail our people. We expect all of us as public representatives to deliver on the mandate they gave us almost two years ago. That this budget is crucial to a determination to solve the service delivery issues of this Metro.

We must work to ensure that every little cent counts and that in all our commitments we are able to extract value. The budget must be spent to our entire communities, to benefit from all the Municipal programs. We will, as the African National Congress ensure that steps are taken to ensure that within the term of this Council we are able to report back to our communities and give them a thriving Municipality.

Today Council members, as different political parties, through this budget we must try to ensure that we put Mangaung community first, we deliver quality services for them.

## 7AB

Again let me borrow a from *Amika Cabral* by quoting his words “*do not confuse the reality we live in with the ideas you have in hand, they ought not to confuse our reality we live in which includes concerned residents*” who want the following:

- the refuse to be collected at all times,
- the electricity to be on at all time,
- the roads and potholes to be fixed,
- infrastructure projects as well as programmes to be completed on time.

These are some of the services the people require and its for the purpose that this budget is tabled today, to address these issues.

Madam Speaker, the struggle is a daily action against ourselves and against the enemy, for the next three (3) financial years, we will be faced with the struggle as this Council against ourselves as different political parties. We don't have luxury anymore to fight like enemies, who don't want to live in a City that is thriving, a City where people want a better lifes for themselves. The ANC in its election manifesto, has committed to building better communities together, we have no illusions about it that at the centre of everything, we are putting our people first. It is for this reason as the ANC deployee in the ANC led Municipality, remembering the pledge we took before assuming this responsibility as public representatives on behalf of the movement, we want to commit again to building better communities together and as the ANC we support the adoption and passing of this budget. I thank you, Madam Speaker.”

**Councillor SQ Peter remarked:** “Mandibulele Somlomo, the Acting Executive Mayor, Councillors, NCR, our distinguish guests and community of Mangaung. Ndi thi kuni, botani kaloku.

Madam Speaker, we are tabling this budget as prescribed by the MFMA calendar, even in doing so, you will notice that we are still under administration and while we are still under administration we are led and guided by the National Cabinet Representative and team, moreover you should also notice that there were number of findings from the Auditor General, that will necessarily say, even if when we prepare our budget, there were number of considerations that we needed to take into account.

I am raising this Madam Speaker, we are not immune in terms of this tabled budget, we are a very small Municipality with a population of around 745,000 people, but when you look at the City of Johannesburg which has just recently tabled their budget, they tabled the budget of this magnitude that was called the conservative budget, at 87% total revenue collection. Precisely for one reason only, there are number of issues that might look similar to Mangaung, yet they are a bigger Metro. I am raising this issue so that when, I am giving you the gist of our budget, how it was prepared you get to understand exactly what informed it. I also need to indicate as well Madam Speaker that, while they were preparing this budget the previous speakers have indicated that, we have prepared this budget at 82% revenue collection as opposed to 90% plus as required by National Treasury.

Leading to this, you must understand that there were processes that we undertook, i.e. your IDP process, public participation because you cannot divorce the two, we cannot have our budget before this process, so these two processes are intertwined, they work together and so you need to note that as well.



## 7AC

Madam Speaker, while we are doing this, we also get an assessment from the National Treasury together with the National Cabinet Team to say, at least your budget is credible, funded and can be sustainable. I am raising this because, these are the institutions that are assisting us and leading the National Intervention Teams, that is at no stage, will do any other process without the involvement or the advice of the NCR.

As I am beginning to bring a concept here, to say as much as the other fellow Councillors from the bench, like my previous Councillors said, they begin to lambast the budget but they take into cognisance that we could not have done this budget without the advice of National Treasury as well as the NCR, hence we are saying, based on the assessment, they have given us a 'go ahead' to say that your budget is funded.

I must also indicate that, we could not have been here with this funded budget, if the National Treasury did not identify three aspects in our budget, the collection on electricity, the property rates as well as water because those are the main three factors that informs our budget. We are not running away from the issues that were raised, issues highlighted that they were not covered in the budget. The budget cannot holistically cover everything, there will be some elements that might be compromised and not necessarily because we want to do away, but because we are working within a certain budget parameters; so either way, one would have to cut some, for example, our previously tabled adjustment budget was way higher than this budget, but the which has been reduced with R120 million combined, both Centlec and the Municipality.

I am raising this, to bring this close to you Madam Speaker. I thought our colleagues here, would understand that we are doing our budget precisely as there are two or three issues that we looked at, our sources of income or revenue which is rates, borrowing and grants. I thought they will speak to that, so that when they say this budget is not addressing issues, we have at least tried to extrapolate and breakdown those issues to inform our budget. Should it happen that they do not deal with those three issues, definitely then, we will say that our budget is not yet funded or is doubtful.

Madam Speaker, I am raising this for a fact that we have highlighted previously that we have a WAR Room that is dedicated specifically to address certain issues that were not captured, that is issue from the Auditor General from our previous budget including this current one. As a result of that, I do not see a reason why we are not able to pass this budget, because it has undergone those processes. Let me cite an example, when you deal with issues of debt collection and billing those are the critical issues in terms of the budget.

I believe that in this budget, they are being catered for, because if you check that, we have allocated a certain amount of money for the revenue and financial enhancement strategy which speaks precisely to that. They need to look into the debtors book, because when one look at the data, it speaks to many issues in the budget. That there maybe some debts which is irrecoverable, others find that the accounts are not there etc. These are the issues that informs the budget.

Madam Speaker, I must also indicate that number of issues that have been raised with regard to this budget that I want to respond to, the very same Councillors were present when certain important legislations and policies were passed and that actually has informed this budget.

## 7AD

The Supply Chain Management Policy was tabled at the previous Council meeting, where Regulation 4 and 5 were amended, which exactly speaks to what my colleagues has made reference, that Supply Chain Management Policy is not catering for the needs of the people of Mangaung.

The matter regarding the Vista Park Development was approved in 2015 and 2016 and this matter served at the Section 80 Committee. Funds have been allocated to complete the project in that particular area and a further R59 million was allocated. We need to clear some ambiguity here, we cannot say we are going to incur another R134.8 million on the operational costs, especially on salaries. The Auditor General indicated in their report the reason for the high cost on overtime payments, was due to the Municipality not filling the vacant positions. The Council had a moratorium which was uplifted hence this item is tabled at the Council. We are here because we have even raised issues for a number of months, to say that there are sewer spillages across the entire City that must be addressed.

Last week, we approved the adjustment budget whereby we allocated R80 million specifically for sewer networks, today we come again, we have increased that money for the next ensuing financial year but its deemed as if it is not a correct budget. Earlier on, I indicated that the public participation and the IDP process goes hand in hand. Councillors of the other bench tend to be very defensive and not being realistic. Items listed on page 6 of 211 of the MTREF exactly refers to what has been raised, the issue of Eskom, Centlec and Bloemwater is being addressed because it's been thorny issue. Currently a team has been developed to work with Bloemwater. In closing, Madam Speaker this budget is credible and as the ANC we are going to support it and it will be approved.”

**Councillor T van der Walt remarked:** “Thank you, Madam Speaker. Die DA betuig meegevoel met die familie van Dustin Kukarie wie se liggaam by die Witherow quarry gekry is.

The Executive Mayor was referring to the ease of doing Index. This is new, we have never seen any cranes in Mangaung. There is no ease of doing business in Mangaung, business is dying and its being chased away. The removal of township development property from the categories of properties that qualify for reductions, and this will just discourage people to do Township development.

Madam Speaker the IDP and budget should be the most impactful document that shapes the future of the city. There are strict legislative processes and allowing every stakeholder in the city a chance to understand influence and improve on any part of the plans the city has. Council under your leadership Mr. Executive Mayor and guided by the collective wisdom of all internal and external stakeholders should show the way and administration must then lead us towards that share better future for City.

The IDP and budget should be the most impactful document that shapes the future of the City, that is why there are strict legislated processes aimed at allowing every stakeholder in the City the chance to understand, influence and improve on any part of the plans the City has.

## 7AE

Council, under your leadership, and guided by the collective wisdom of all internal and external stakeholders, should show the way and the administration must then lead us towards a that shared better future for our City.

However, there is much that can still be improved in this process. For example: The Mangaung policies are still not accompanied by a Policies amendment register like Centlec has been doing, which makes it unlikely for the average residents to even know what changes are proposed. In the Credit Control and Debt Collection policy clause 22 the DA propose the removal of Government Debt from those Exempted from handover in debt collection processes.

A well-developed Spatial Development Framework is integral to the promotion of development in the municipality by giving certainty and ensuring buy in by all stakeholders for the spatial proposals the municipality undertake. In 2021 an process to compile a new, legally compliant SDF was undertaken costing millions of rands and the product was gazetted as required. Any further amendments need to be done in line with legislation. The 2022 and 2023 amendments to this document which were not done in compliance to the requirements of the SPLUMA act, were seemingly done on an ad hoc basis by single officials without any internal or external consultation and this places the entire process and built environment in MMM in jeopardy. Example: Section 20 subsection (3) clearly requires that the intention to amend any SDF must be published in the government gazette, giving 60 days for the public to comment, after which these comments must be considered.

The draft amended SDF was only published on the website together with the IDP, without any schedule of amendments on 5 May 2023, this review process was not gazetted and therefore the process and product tabled today is null and void. The only valid SDF is the one published in the Government gazette after council approval in 2021. We have warned the MM, Hod and mayor of this gross financial mismanagement and will have to report it to treasury and rural development. This ad hoc secret amendment of the SDF means not only the millions spent on the compilation of the SDF was fruitless and wasteful spending, but it also comments Mangaung to provide an unknown amount of billions in bulk infrastructure and services without any feasibility study or master plans. You have now successfully moved us back to where we were before 2016 when a single official sat in a smoke-filled room and drawing points on a map that could instantly bankrupt their enemies while making their friends millionaires without any rational reasons.

As for the IDP I urge you to embrace the whole of society approach, the DA has been calling for the restoration of an IDP representative forum which will continually bring together most of the important stakeholders to, honestly discuss where we are as a city, find our shared interests, resolve conflicts between interest, find the best solutions and bring together the collective mind of the city to craft a single vision for the future of our city that all stakeholders buy into and commit to, craft a clear strategy on how to get there and have clear and focused indicators of progress, timelines and budgets. The last time this was attempted was before 2014 when I became a councillor. There are clear guidelines on this structure. You have the opportunity to again implement meaningful inclusion of the public in decision making, instead of tokenism and tick box exercises that we currently have.

## 7AF

First 50 days, the Acting Executive Mayor has been in office for 50 days. Although there have been isolated glimmers of hope, the first 50 days have not yielded the results every resident and councillor would have wanted to see, as was witnessed in the intervention progress report in the previous meeting. DA wants nothing more than seeing you to succeed and turn our city around within the next 50 days.

Thus, I hope the mayor will heed the advice and work with council and communities to make the next 50 days count and go down in history as the most impactful 50 days Mangaung experienced in the turnaround of the City.

However, in the current crisis, with severe financial difficulties, demotivated staff and severe capacity constraints much more is needed to convince myself and the residents that you are here to serve our city and its citizens. So what can you do to make your first 100 days impactful? Mr mayor if you want the support of civil society you need to commit to open, transparent and inclusive processes, whether it is the SDF, IDP, budget or Supply Chain Management bid committees and Service Level Agreements or open access to MAYCO and committee meetings and minutes. This also includes the urgent need for all committees to sit regularly and performance agreements with each of your MMCs with key deliverables and timeframes.

In general, you need to ensure the municipality becomes a beacon of transparency, openness and accountability. You need to embrace the collective wisdom and collaborative spirit of the city through a functional, effective IDP representative forum. You need to ensure discipline and accountability becomes a given and ensure that hard working and committed workers are valued and supported.

You need to instil a culture of Service Delivery excellence and responsiveness – In 50 days you can eradicate potholes, renew road markings and signage, clean our public spaces and streets, increase frequency and quality of refuse removal, ensure fair and impactful EPWP processes, eradicate development backlogs such as clearance certificates and water and electricity connection applications, divert idle workers who don't have the tools they need to do their job to other productive tasks. You can prioritise and monitor the successful implementation of crucial waste projects such as the Closure of the northern landfill, the development of a regional waste facility, recycling and composting and procurement of fleet.

You can find vehicles that can be used by law enforcement to keep our infrastructure and residents safe and improve community safety and ensure our CCTV cameras are function and monitored. You can stop ideological statements and actions that is pushing away existing businesses and possible investments. You can ensure that a functioning council is not disrupted by factions or political interests. You can make sure there is a fair and functioning disciplinary board. You can ensure Good Governance by Stopping cadre deployment and appoint on merit. Ensure the LLF functions to serve the municipality and its residents not political factions or parties or the careers of specific staff members.

## 7AG

You can improve the Collaboration between the administration and civil society by working with and supporting – Neighbourhood watches, CPFs, security companies You can require any student house that applies for consent to be a member of a Neighbourhood association or a self-governing body that actively contributes to the improvement of the community it functions in, such as Multi-let in Universitas and Brandwag. Work with communities to find and support local short-term solutions to failures in waste removal. As an example, the communities of Universitas and Universitas Ridge have collaborated for 2 months when no waste was collected by placing massive waste bins in strategic locations and asking residents to go and place their waste in these bins.

Later volunteers and ward committee members went through the streets and picked up the remaining waste and put them in the bins, compacted the bins and these were then removed when they were full. For Universitas Ridge this costs R2600 for the placement and removal of two bins taking more than 30 cubic metres of compacted waste each. Leaving the area clean for another week.

You can name all streets in formal settlements before changing any names. You can monitor the daily enforcement of critical bylaws by different divisions, for example acting against unkept dangerous vacant land and derelict buildings improve the safety of a community. Or working with SAPS and public works to clean up, restore and use the dozens of deserted SAPS houses in the city. An example is the SAPS house next to Eunice School which almost burned down last weekend.... Thank you, Madam Speaker.”

**Councillor NR Shale remarked:** “Thank you, Madam Speaker. Ke dumedise former Chief Whip Mr Zolile Mangcotywa. Honourable Speaker re le Caucus ya Freedom Fighter, ke hlokometse hore ha e le setjhaba sa Mangaung sona, se le itsi le tla bapala ka sona ho fihlele Jeso a tla, jwalo ka puo ya lona ka mehla hore le tla busa ho fihlela jeso a tla, o sa fihlele ho tswa Paul Roux.

Honourable Speaker ke maswabi ho utlwela setjhaba sa Mangaung bohloko, kao dula se voutela ANC ka mehla. Budget e tswa selemo le selemo empa ha e yetse mosebetsi e tswanetse eo etse e ya di phokotong tsa batho. Speaker ra bona pampiring hore budget ke bo kae, le hore le lo etsa eng kae, re kgathetse ke boshodu bo bokana masepala o putlame ka baka la corruption e etshahalang ka hare ho yona.

Honourable Speaker ke maswabi ho bona di resources tsa Masepala di sebediswa bohlaswa ho campaign di By-elections tse teng ka hara Mangaung. Speaker dilemo tse tshelatsing tse fetileng ka hara Thaba Nchu Ward 9 Mokoena esale setjhaba se lla tsela e hlokisang boroko ba dula hara metsi, today ya lokiwsa e kare ke morikaoke fela. Re ya di By-elections se hlokeyang mo ke di storm water kapa di kotopo, ke bona le senya tsela le ho feta kapa ke pente. HonoUable speaker ha e sale tsona ke di pool fela, le di pothole di sale kakwano. Ho tsohle ba di kopetseng setjhaba sa Ward 49 ha e yo budgeting ya 2023/24 kapa ne le lomeletsa Councillor Moqolo no ne le lomeletsa yona community Ward 49 e le today le tlo batla e le voutela. We are not supporting this IDP/budget. I thank you, Madam Speaker.”

## 7AH

**Councillor B Vorster, remarked:** “Thank you, Honourable Speaker. All protocols observed. It is with great concern for the Freedom Front Plus that the internal fighting within the ANC government in Mangaung the past year yet again resulted in the poorly drafted unrealistic unfunded budget for the 2023/24. The budget making process was clearly not a priority for the ANC government, but the same can be expected when the Metro failed to appoint permanent HOD’s.

We had two acting Chief Financial Officers and two acting Municipal Managers in the past financial year. with no permanent appointments insight the Metro was without the Executive mayor and MMC’s for months and the National Cabinet Representatives still did not provide this Metro with a financial recovery plan.

The Metro did not comply with Chapter 4 of the Municipal Systems Act and Section 23 of Municipal Finance Management Act with regards to Public Participation and the community inputs were not table before this Council for consideration. The budget further does not comply with Section 17 of the Municipal Finance Management Act together with Section 1 and 76 of the Systems Act, seeing that the service level agreement with Bloem Water doesn’t form part of the budget before Council. It is highly unlikely that a projected operating revenue of R9.31 billion will be reached.

The revenue projection is based on the on the unrealistic collection rate of 82% also keep in mind that when tariffs are increased from tactile buyers will not be able to afford to pay their accounts and others will only be able to afford to pay part of their accounts resulting in a further decrease in operating revenue. The pre-audited outcome for the Total Operating Revenue for the current Financial year is 10.9% less than the original projection. If this trend continues in the next Financial year the projected operating revenue should only be around R8.29 billion just over R1 billion around less than projected. This will ultimately result in a deficit of R334 million and not a surplus of R685 billion as projected.

The water revenue is projected at R1.84 billion and the expenditure for water is projected for R2.11 billion, this means that the Metro will make no profit on water revenue, but will suffer a loss of R270 million. To put this in perspective the projected revenue for refuse amounts to R184 million which is not even enough to cover these losses, how can a budget be funded if some revenue some votes cannot even cover their own expenses. The budget clearly indicates that the high levels of water and electricity losses due to Asian infrastructure, illegal connections and tampering with meters is one of the main service delivery pressures. It seems that the administration is very reluctant to resolve these service delivery problems. The Freedom Front Plus received 40 complaints in the past six months from taxpaying citizen citizens which are still not unresolved that faulty water meters were removed and still not replaced by new meters, resulting in these households not being built so water the consumption at this moment.

The Department of Public Safety and Security that will cost the Metro and estimated R332 million in the next financial year can assist to combat these illegal connections, in tampering with meters and in the same time projected increase of projected revenue for fines and penalties that only stands at R30 million.

## 7AI

The debtors balance as from 28 February 2023 amounts to R9.5 billion and the growing government debt is of great concern. Funds should have been allocated in this budget for the free installation of prepaid water meters to secure our water revenue. The Total Operating expenditure amounts to R8.62 billion, however overtime is yet again sugar coated by indicating the same was reduced to affordable level of R79.45 million. Honourable Acting Executive Mayor through you honourable Speaker this is the reality, the same was indicated in the current budget R80 million was approved for overtime in this financial year this amount was increased to R92 million in the adjustment budget.

By the end of the third quarter of this financial year R140 million was paid on overtime, resulting in over R70 million unauthorized expenditure. The pre audited outcome on overtime in this financial year amounts to R216 million for the Metro and Centlec. There is no overtime policy in place and the Freedom Front Plus strongly believes that this spending on overtime will be repeated in the new financial year. Therefore an additional R137 million can be added to the projected Total Operating expenditure for the next one Financial year with regards to overtime alone.

This will increase Total Projected operating expenditure to R8.76 billion increasing the deficit further to R470 million. The question now is where will the R217 million come from to be transferred to the Capital budget for projects to be funded from our own funds.

The Freedom Front Plus cross are concerned that if Council adopts this unfunded budget Adjustment budgets will be necessary later in the financial year, whereby funds will be shifted between the votes. This will result that funds yet again be moved from crucial Service delivery votes to cover unauthorized, irregular fruitless and wasteful expenditures. The one main purpose of the budget is to provide a method of controlling expenditure so that the Metro may live within its means. It is also clear from the community inputs in the IDP that the main focus should be on basic services and costs should be coming from projects that is unnecessary and does not assist in providing these basic services.

Employee related cost amounts to almost R2.5 billion 28.38% of the Total Operating expenditure, R122 million were allocated to performance bonuses. Senior Managers salaries are between R1.8 million and R2.2 million a year which includes performance bonuses between R93 000 and R180 000. The fencing of Bram Fischer and City hall and allocated R2.5 million to beautification of City entrances. A further R9 million is allocated to update and finalize the Indigent Register after million were paid to a private company the last two years to finalize this process. Unsustainable tariffs charges by Bloem Water, uncontrolled overtime expenditure and contractors and service provides does not value for money in the services rendered in goods delivered to this municipality.

Through you honourable Speaker, honourable Acting Executive Mayor the time for luxury and hands outs to ANC Cde's the funds have dried up and please take the comments of your fellow Councillors to heart we are all citizens of this Metro. The Freedom Front Plus however do agree with the following remarks in the budget. The Metro does not have a long term financial strategy and there is a need to review this master plan which will inform the long term capital investment plan, however this will not be achieved under the leadership of the ANC government.

## 7AJ

The Freedom Front Plus cannot and will not vote for the approval of the IDP and the budget as table before Council, lastly Councillor NA Nhlapo its one thing to budget, but if there is no funds it won't be fixed and even there is funds it should be used to fix the potholes. We also had a budget in this financial year indicating the same it's only the difference in those budgets are the amounts and we still have potholes, I thank you, Honourable Speaker”.

**The Acting Executive Mayor requested a 10 minutes caucus. Thereafter provided feedback as follows:** “Fellow Councillors, our intention to hold the caucus was that we have made a commitment to create a spirit of togetherness in this Council, a spirit that is a caring spirit doctor it's a disciplined spirit in the interest and for and attending to the interest of the people of the city that were running. We may share different opinions at this level but we've got a fiduciary duty to attend to the interest of the people of our on the ground. You have had your own contribution with regard to the budget and IDP furthermore you every some of the patient issues that with being looked at.

And in this spirit of encouraging that we must be in one bus working together, embracing one another at end of the day. Madam Speaker I consider see withdrawing the tabling today and asking you to allow us to come back inside seven days and request our Councillors in their different disciplined at level of their communities and with the proper processes of engagement and also looking into some of the critical aspects that we're tabled before us to go back to the drawing board. Re-consider our thought in and around the budget and come back and see if we can't have a meeting of minds with regard to tabling of the budget. I thank you, Madam Speaker.”

The Speaker indicated that the budget has been withdrawn and in terms of Section 25 of the MFMA, she read: “***Failure to approve budget before the start of the budget year and further if a Municipal Council fails to approve an annual budget including Revenue raising measures necessary to give effect to the budget***”

Furthermore, reiterated that the Council must reconsider the budget and again vote on the budget or on an amended version thereof within seven (7) days of the Council meeting that failed to approve the budget. Therefore the meeting would be adjourned and she will call another Council meeting on the 22<sup>nd</sup> of June 2023 to reconsider the IDP and budget.

**Both items WITHDRAWN.**

**NOTED.**

**1.**

**TABLING OF THE MANGAUNG METROPOLITAN MUNICIPALITY'S 2023 – 2024 REVIEWED INTEGRATED DEVELOPMENT PLAN (IDP) AS WELL AS SECTORAL PLANS (2023 – 2024) FOR APPROVAL.**

**It was thereupon**

**RESOLVED** that the item be withdrawn and will be dealt with in seven (7) days on Thursday, June 22, 2023.



2.

**TABLING FOR APPROVAL OF:**

**A.**

**I. MMM MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/24 – 2025/26**

**II. MMM CAPEX 2023/24 – 2025/26 (30 June 2024)**

**III. MMM BUDGET RELATED POLICIES**

1. Policy on Indigent Customers (1 July 2023)
2. Property Rates Policy 2023/2024 (1 July 2023)
3. Principle and Policy on writing off of irrecoverable debt (1 July 2023)
4. Tariffs Policy (1 July 2023)
5. Credit Control and Debt Collection Policy (1 July 2023)
6. Cost containment Policy (Final)
7. Travel Management Policy
8. Virement Policy 2023/2024
9. Draft Revised 16th Supply Chain Management Policy

**IV. MMM GENERAL TARIFFS 2023/24 – 2025/26**

**B.**

**I. CENTLEC MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2023/24 – 2025/26**

**II. ANNEXURES**

- Annexure A ( Service Charges)
- Annexure B (Electricity Service Charges)
- Annexure C (Amended Policy Register)
- Annexure D (Training Tariffs)
- Annexure H (Bulk Purchases)
- Annexure G (Salaries)

**III. CENTLEC AMENDED POLICIES**

1. Credit Control and Debt Collection Policy
2. Supply Chain Management Policy
3. Small Scale Embedded Generation Policy (0kVA – 1MVA)(MW)
4. Provision of Bulk Infrastructure by Developers
5. ICT Back-Up Policy
6. Patch Management Policy
7. Disaster Recovery Plan
8. Identity Management Password Policy
9. Information and Communication Incident Management Plan
10. Information and Communication Technology Framework
11. ICT Strategy Plan 2019 – 2023
12. ICT Security Policy
13. Tariff Policy

**V. SDBIP (APPENDIX C)**

**VI. CENTLEC BUSINESS PLAN 2022 – 2027**

*It was thereupon*

**RESOLVED**

1. That in terms of Section 25 of the MFMA : if the Municipal Council failures to approve the annual budget, including revenue raising measures necessary to give effect to the budget, the council must re-consider the budget and again vote on the budget or on amended version thereof within (seven) 7 days of the Council meeting that failed to approve the budget.
  
2. That as per the above resolution, the Council meeting to approve the budget will be held on Thursday, June 22, 2023.

<b>96.</b>	<b>CLOSING OF THE SPECIAL COUNCIL MEETING</b>
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**The Speaker announced that the meeting was officially closed at 13h50.**