



RUSTENBURG LOCAL MUNICIPALITY

OFFICE OF THE EXECUTIVE MAYOR

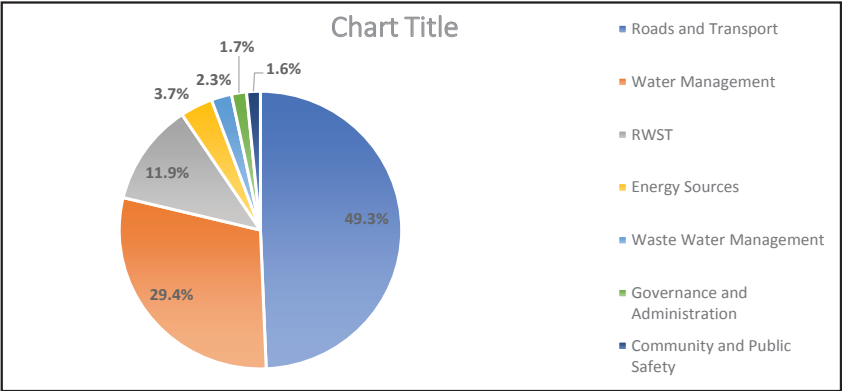
P O Box 16, Rustenburg, 0300, North West Province, South Africa
Tel: (014) 590 3004 Fax: (014) 590 3006 Email: executive.mayor@rustenburg.gov.za

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APPROVAL OF THE 2017/19 MULTI YEAR BUDGET

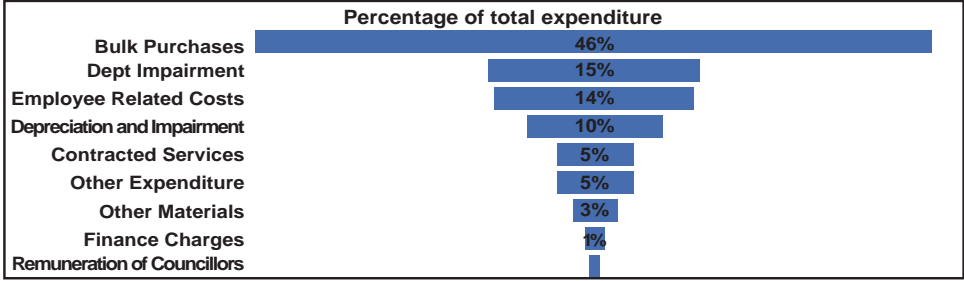
Rustenburg: Under the leadership of the Executive Mayor, Cllr. Mpho Khunou together with the newly appointed Municipal Manager, Ms. Ngobile Sithole, is a shared commitment to work with all stakeholders in ensuring the realisation of the City's Vision of making Rustenburg a **“A world class city, where all citizens enjoy a high quality of life”**. Rustenburg continues to be the economic hub of the North-West Province with the total population estimated at 626 522 (Community Survey – Stats SA, 2016).

The adoption of the **R5.2bn** Multi-Year Budget as approved by Council on the 2nd June 2017, being the strategic financial plan to implement the recently adopted 2017-22 Integrated Development Plan (IDP), is an important statement of Council's determination and commitment towards the the achievement of the following key priorities: delivery of quality basic services; developing, diversifying and strengthening the local economies; building spatially integrated communities; preserving and conserving the natural environment; ensuring sound fiscal management together with achievement of clean administration; intensifying the fight against crime, fraud and corruption and promoting social cohesion.

The adoption of the budget was preceded by



The Capital budget is funded from the National and Provincial grants, namely the Public Transport Infrastructure Grant and the Municipal Infrastructure Grant. The total capital budget is inclusive of the Rustenburg Water Services Trust. There are no projects funded from internal reserves as the municipality works toward increasing its reserves



extensive consultation with various stakeholders including the residents, business sector, political parties, Provincial and National Treasuries. Notwithstanding the fact that not all the political parties supported the budget, all made valuable inputs about the future of the municipality. These inputs were taken into consideration as Rustenburg moves to becoming a Metro and a World Class City where all citizens enjoy a high quality of life. Our deepest gratitude with regards to all inputs received during this Community Participation process as these inputs have ensured that the municipality approves a developmentally oriented, credible and funded 2017/2018 Multi-Year Budget.

Overall, the compilation of the budget was against a backdrop of modest economic growth, uncertain fiscal outlook and difficult socio-economic climate. The ongoing excessive dependency on the mining sector, which remains in the doldrums, continues to pose a risk that requires urgent and sustained action. Having taken cognisance of the above, the **Key Highlights** from the approved budget are summarised below.

In aggregate, the Multi-Year budget provides for total expenditure amounting to R5.208 billion in 2017/18, R5.505 billion in 2018/19 and R6.050 billion in 2019/20. Of the total expenditure, the capital allocation is R0.581 billion in 2017/18, R0.459 billion in 2018/19 and R0.511 billion in 2019/20 which is distributed as follows:

The projected budget surplus amounts to R0.091 billion in 2017/18, R0.118 billion in 2018/19 and R0.185 billion in 2019/20.

Tariff Overview

Tariff-setting was an integral part of the compilation of the budget. The input costs, national and local economic challenges and outlook together with the affordability of services were some of the key considerations in the determination of cost reflective tariffs of the municipality. The increase in the approved Tariffs was one of the areas of concern

Tariffs	Residential (average)	Business (average)
Rates	6.4%	7%
Electricity	6.0%	8.0%
Water	10.0% - 12.5%	10.0% - 12.5%
Sanitation	10.0% - 12.5%	10.0% - 12.5%
Refuse	9.0%	19%

Through the social package there is relief for consumers classified as approved Indigent in the form of free basic services comprised of 50kW of electricity, 6kL of Water, refuse and sanitation.

Over the 2017/18 MTREF the key focus areas that will enable phenomenal progress towards delivering a world class city where all citizens enjoy a high-quality life can be summarised as follows;

- Capacitating the organisation with qualified, driven and motivated employees capable of delivering the strategic objectives of the municipality.
- Implementation of systems to ensure accuracy and completeness of billing, timely actual billing of customers and delivery of customer statements.
- Key focus on revenue protection and enhancement, stringent credit and debt collection initiatives with the objective of improving the collection rate from 82% to 101%. The municipality cannot achieve its vision without the commitment of citizens toward the payment for consumed services.
- Reduction of water losses to the benchmark of between 15% and 30% over the next three years through water balancing and water conservation initiatives.
- Reduction of electricity losses to the benchmark of between 7% to 10% for electricity over the next three years through electrification of informal settlements as an initiative to address losses through illegal connection.
- Focus on cost containment measures, sound supply chain management practices with a key focus on contractor management to ensure value for money in all transactions.
- An aggressive drive to boost the local economy through the packaging and implementation

raised by the Democratic Alliance as represented by Clr du Plessis and Clr Phillips. Through rigorous consultation with the political parties a downward adjustment was made to the proposed tariffs as well as to the 50/50 method of collection of arrears through the prepaid system. The original proposal was a 90/10 application that would have placed severe financial pressure on our consumers.

The tariff highlights are as follows:

- Implementing both the operating programmes and capital projects contained in the budget in line with the revised Supply Chain Management and Transformation Framework Policy which encompasses a more aggressive measure to empower SMMEs. The policy prescribes that there must be 30% local content in terms of the Supply Chain awards made by the municipality.
- Building internal reserves to enable the municipality to drive the local economic agenda and enhance service delivery through investment in new infrastructure.
- Roll-out of performance management contracts for all employees in the municipality.
- Implementing a culture of discipline in the organisation by addressing the Council Resolutions pertaining to the establishment of a Financial Disciplinary Board and Forensic Investigator to address matters of financial misconduct of the employees.
- Improving on Internal Controls for sound fiscal management.
- Drive towards the attainment of a Clean Audit Outcome over the next three years.

The 2017/2018 Multi-Year Budget will be implemented to ensure the attainment of the strategic goals, Mission and ultimately the Vision of the City.

Issued by: Rustenburg Local Municipality Communications Unit



As jy naby een van Transnet Pypleiding se ondergrondse hoëdruk petroleum- of gaspyplynroetes bly, werk of boer, is dit NOODSAAKLIK dat jy die servituutvoorwaardes respekteer en nakom. Hierdie voorwaardes verwys ook na toestemming om grond oppervlakte te beset. Die servitute wissel in breedte en daar is wit bakens in die middel van die servituut. Dis belangrik om ver van die bakens af te bly en te verseker dat jou optrede nie die veiligheid en integriteit van die pypleiding beïnvloed nie. Om naby

die pypleidingbakens te grawe, kan tot ernstige gevolge en beserings lei. Indien jy die servituutvoorwaardes oortree, sal jy vervolgt word en jy kan ook verantwoordelik gehou word vir die verwante kostes, insluitende omgewingsopruimingskoste. Moenie die kans waag nie!

Skakel voor jy grawe of oortree op die servituutgebied.
0800 203 843 of 031 361 1456.

