

# 2020



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## The total operating expenditure for Moqhaka Local Municipality for the 2020/21 financial year has been forecasted at R916 million.

**Tabled by the Executive Mayor Lucky Phooko.**



## 2020/21 BUDGET

**T**he total operating expenditure for Moqhaka Local Municipality for the 2020/21 financial year has been forecasted at R916 Million. This was tabled by the Executive Mayor Lucky Phooko.

According to the budget when compared to the 2019/20 Adjustments Budgets, operational expenditure has been projected at 7% in the 2020/21 budget year and by 4.8% and 4.8% for each of the respective outer years of the MTREF.

"The anticipated surpluses to be raised will be used to predominantly fund capital expenditure and to further ensure cash backing of funds and reserves," he said.

The capital budget amounts to R72 million for 2020/21, which is a R7million (-9%) decrease from 2019/20 Adjustment Budget. This was mainly caused by the additional funds received for water services infrastructure grant and the MIG grant, and also a decrease with regards to the own funding capital.

He alluded that the budget will mainly be funded from grants over the MTREF with gazetted grants of R55 million as per the division of revenue bill 2020/21 and R20 million from the municipal own funding.

"The following items are the main contributors to the municipal revenue basket;

- 1) Property Rates at R81million (representing 9% of the total operating revenue)
- 2) Electricity R337million (representing 36% of the total operating revenue)
- 3) Water R141million (representing 15% of the total operating revenue)
- 4) Sanitation R51million (representing 5% of the total operating revenue)
- 5) Refuse Removal R37million (representing 4% of the total operating revenue)"

In order to support the above operating revenue, the Municipality is proposing the following average tariff increases:

- a) Assessment Rates: 4.6%
- b) Electricity Rates: 6.22%
- c) Water Tariff: 9.8%
- d) Sewer Charge: 5.4%
- e) Refuse: 8.3%

"It is worth mentioning that this budget was prepared under tough economic conditions, as the municipality has outstanding debtors to the value of R780 million as at 30 April 2020 and we are looking at ways to legally write off part of this debt, I am assembling a team of MMC's and

finance to start with the process of this writing off."

He announced that municipality plans to collect at least 20% R156 millions of its arrear debt in order to fund the outstanding creditors and other operational requirements during the budget year.

As at the end of May 2020, the following was the outcome:

1. billing was 92%, while collection amounted to 68%,

2. Creditors vs Debtors:

Outstanding Creditors amounted to R432m (91% of this amount relates to the Eskom outstanding Debt) while Debtors amounted to R797m,

3. indigent Register:

We have a total of 14 475 registered indigents. However, we do still encourage community members to visit their local municipal office to check if they qualify for the indigent subsidy given the Covid-19 implications,

4. Revenue Enhancement Strategy:

The Revenue Enhancement Strategy Served at the Finance Portfolio Meeting and awaiting Approval by the Municipal Council,



5. Electricity Theft:

The electricity theft due to tamperings and by-passes costed the Council R44m (2019) and R47m (2018),

6. 60/40 Collection Strategy:

The 60/40 Collection Strategy was approved by Council on the 28 June 2019. This has the implication that if the consumer account is in arrears, a 40% will be deducted from their electricity purchases until the account is up to date or current. This strategy does not affect consumers whose accounts are up to date or current. This Strategy is meant to assist Council to recover it's outstanding Debtors of R797m, a, the impact of such will be monitored as the months progress to determine any adjustment needed to ensure the effectiveness of this strategy amongst other mechanisms used by the municipality to collect its outstanding debt.

"In facilitating the collection of arrear debtors, the municipality upgraded its electricity vending system to the one which enables it to collect 40% of all electricity purchases in relation to those consumers whose accounts are in arrears. The outstanding consumer debt relating to Rammulotsi as at (30 April 2020 R275m-that is 35% of outstanding debt) and Matlwangtlwang as at (30 April 2020 R29m – that is 4% of outstanding debt) continues to soar, mainly as a result of the municipality's inability to effectively implement debt collection mechanisms, as these areas are serviced by Eskom in terms of electricity supply."

The municipality owes Eskom R350m as at the preparation of this Annual Budget 2020/21. The mayor agreed that his municipality signed a payment arrangement with Eskom to settle this outstanding debt.

"The repayments relating to the current account are already provided for within the annual budget," Phooko said.

\*On Rates, Taxes and other Incomes\*

R54 million will be spent on providing Free Basic Services. Taking into account the need for dignified basic services, we have revised the social package for qualifying households as follows:

- a) The free water has remained increased from 6 to 10 Kilolitres of water per month, Strictly for Indigents,
- b) 50 Kilowatts of electricity free remains the same as last year, Strictly to Indigents,
- c) Indigent owners and child-headed families will receive a 100% rebate for property rates;

**Municipality plans to collect at least 20% R156 millions of its arrear debt**

- d) All residential properties with a market value of R100 000 (previously R50 000) or less are exempted from paying assessment rates;
- e) Churches and registered Public Benefit Organisations (PBOs) remains are exempted from paying Assessment Rates.

Some of the Key highlights of the operating Expenditure Budget are as follows:

- a) Employee Related costs increased by 5%, and comprised 33% of the total expenditure budget. This is also in line with the requirements of MFMA Circular No. 98 and 99.
- b) Remuneration of Councillors decreased 4% to as compared to 6% of last year

- c) Bulk Purchase increased by 7%.
- d) Contracted Services increase by 17%.

\*On Service delivery and infrastructure\* Moqhaka will be hard at work in the new financial year to finish numerous projects and beginning others from scratch.

The Salient Projects in progress over the Medium-Term includes, among others:

- Rammulotsi: Development and fencing of new landfill site- phase 2 R14,6 m
- Maokeng (Koekoe Village) Upgrading of 0.93km Storm Water System and Channelling of Vlei Areas- Phase 2- R6.4 m
- Brentpark/Seeisoville: Construction of sewer reticulation network for 200 erven – Phase 1 R2.2M
- Maokeng: Construction of 0.8km paved road with V-drain storm water in Koekoe Village R2.7 m
- Maokeng: Construction of 0.55km paved road with V-drain storm water in Koekoe Village. R1.3 m
- Rammulotsi: Construction of 0.61km paved road R3.6m
- Rammulotsi: Construction of 0.55km paved road R3.2m
- Seeisoville: Upgrading of Sports Facility R1.1m
- Construction of Koekoe Village Sports Facility R10m
- Water Services Infrastructure Grant (WSIG) R 14 m

Phooko insisted that the budget were done with the interests of the people.

"With this budget, we seek to give full account and respond appropriately to the needs of the community of Moqhaka. The Council does need your support and active participation in all of its activities in order to make a success of this budget and the municipality at large," he said.

# MOQHAKA LOCAL MUNICIPALITY COMMITTED TO ENSURE CREATION OF CONDUCTIVE ECONOMIC ENVIRONMENT

Moqhaka local municipality is committed to ensure creation of a conducive economic environment to attract investment and protect local business in order to create job opportunities and alleviate poverty.

For many years, the municipality based in the northern Free State has been struggling to effectively implement Section 152 of the constitution which clearly sets out the objectives of local government, which is to promote socio-economic development within the municipality area.

While the municipality made strides in developing the Local Economic Development (LED) strategy in 2017, it was evident that the implementation of such strategy would be quite a challenge due to the same strategy identified quite a few key critical positions that were to be filled in order to achieve its constitutional mandate of local government as stipulated above.

Moqhaka is proud to announce to the members of the public that we have successfully appointed the director LED and Planning, agricultural officer and SMME officer respectively.

The director of LED highlighted her mandate that it is to create a conducive environment to attract investment and at the same time

protect the local business in order to address the triple challenges facing South Africa today, of unemployment, poverty and inequality.

We admit that agriculture plays a key role in the contribution of the Gross Domestic Product (GDP) of the country and we are delighted that Moqhaka Local Economic Development strategy has also identified agriculture as the key economic driver of the municipality.

We strongly believe that local economic development can only be achieved through partnerships with government, private sector and local community.

**Covid-19 pandemic has a very negative impact on the country's economic growth and that has caused most businesses to close their doors and that has also increased the levels of unemployment not only in Moqhaka but globally.**

We are in the process of finalizing the terms of reference for establishing the local economic development forum in the municipal area.

Working together is inevitable in order to



improve the local economy.

The municipality will strive to play an advocacy role in linking big businesses with small ones in order to advance the socio-economic empowerment of the small business and ensure economic inclusion.

Also, to create platforms for emerging and commercial farmers networks through establishment of the Agri-Forums and Exhibition opportunities.

Most importantly to encourage beneficiation of agriculture produce in the municipality.

Moqhaka will continue to provide financial and non-financial support to SMMEs, Cooperatives, informal traders, aspiring, emerging and commercial farmers, through referrals and linkages mentioned earlier.

This will also include quipping them with technical skills.

The municipality wishes to embark on the

"Buy Local Campaign" in order to promote business in Moqhaka, this will encourage local participation in the supply chain processes of all institutions in the municipal area and create jobs let alone increasing the income per capita and reducing poverty levels.

Covid-19 pandemic has a very negative impact on the country's economic growth and that has caused most businesses to close their doors and that has also increased the levels of unemployment not only in Moqhaka but globally.

That is why during the current financial year, we have decided not to increase business property rates, due to the current economic outlook.

The aim is to aggressively market and promote Moqhaka Local Municipality as a destination of choice.



# SERVICE DELIVERY OUR PRIORITY: PHOOKO



Keeping Lights On: Mayor Lucky Phooko launches electrification of more than 600 households



Government that Cares: Mayor Lucky Phooko hands out school bags to learners.



Mayor Phooko visits newly built water treatment plant.



Padding Up: Mayor hands out Sanitary pads to teenage learners.



Mayor Phooko visits small businesses in Maokeng.



Mayor Phooko and MMCs conduct a site visit, to check the progress of Maokeng Mall which is under construction.



Infrastructure is developed: Mayor Phooko says infrastructure tops his administration.



Clean your Area: Mayor Phooko in partnership with Cogta MEC Thembeni Nxangisa urges communities to clean their areas.





# MOQHAKA MU



**Executive Mayor  
Cllr Pule Phooko**



**Council Whip  
Cllr Selloane khiba**



**Speaker  
Cllr Mpho Chakane**



**MMC Cllr Simon Mokoena  
Housing**



**MMC Cllr Ria Manefelt  
Policy Development**



**MMC Cllr Mangaka Green  
Community Service**



**MMC Cllr Kokami Khampepe  
Technical Services and Infrastructure**



**MMC Cllr Lydia Mpondo  
Public Safety**



**MMC Cllr Rachere Moletsane  
Finance**



**MMC Cllr Selake Tladi  
Corporate Services**



**MMC Cllr Zenzile Magadlela  
Integrated Development Plan**



**MMC Cllr Brenten Rooskrans  
Local Economic Development**



**Mthunzi Mthwalo  
Director Corporate Service**



**Portia Tshabalala  
Director Community Services  
and Public safety**



**Deliwe Ngwenya  
Director Technical and  
Infrastructure Services**



**Seithati Monyaki  
Director Local Economic  
Development and Housing**



**Thuso Marumo  
CFO**



# MUNICIPAL COUNCIL



Cllr Solomon Ramathibe  
Ward 15



Cllr Oupa Leboko  
Ward 9



Cllr Hiettie Makae  
Ward 11



Cllr Mpho Mokotedi  
Ward 6



Cllr Lerata Bolofo  
Ward 7



Cllr Mthandeki Nhlapo  
Ward 14



Cllr Hendrina Boetjie  
Ward 16



Cllr Nomathemba Mntunzi  
Ward 4



Cllr Baba Mafonza  
Ward 23



Cllr Suzan Mahlatsi  
Ward 8



Cllr Thabo Marako  
Ward 1



Cllr Spaski Geldenhuis  
Ward 17



PR Cllr Zorro Mareka  
Ward 12



Cllr Mncedisi Yhoyho  
Ward 22



Cllr Lehlohonolo Ramajoe  
Ward 20



PR Cllr Leah Van Schalkwyk  
Ward 8



PR Cllr Johannes Mahlatsi  
Ward 11



PR Cllr Danis Khasudi  
Ward 14



PR Cllr Molefi Khunyeli  
Ward 18



PR Cllr Sydney Pittaway  
Ward 10



PR Cllr Palesa Mpele  
Ward 22



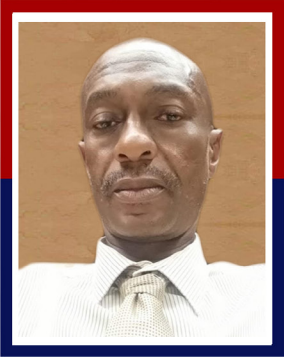
PR Cllr Dibetso Serapela  
Ward 9



PR Cllr Alberatha Viljoen  
Ward 7



PR Cllr Annah Malejoane  
Ward 17



PR Cllr Mahlomola Mohoalali  
Ward 19



PR Cllr Chris Dalton  
Ward 2



PR Cllr Jean Hattingh  
Ward 4



PR Cllr Mpho Lithupa  
Ward 21



PR Cllr Mohlaba Thajane  
Ward 15



PR Cllr David Nzunga  
Ward 6



# "MOQHAKA" A GREAT HOLIDAY DESTINATION FOR YOUR FAMILY AND FRIENDS

**T**he Moqhaka Local Municipality is situated within the southern part of the Fezile Dabi District in the Free State province. The headquarters of the municipality is situated in Kroonstad. The name (Moqhaka) is the Sesotho word meaning "crown". The former Kroonstad, Steynsrus and Viljoenskroon Transitional Local Councils and sections of the Riemland, Kroonkop and Koepel Transitional Rural Councils are included in the Moqhaka Local Municipality. The municipal council consists of forty-five members elected by mixed-member proportional representation.

The general tendency of migration from rural to urban areas is also occurring in the area, as is the case in the rest of the Free State province. The Greater Kroonstad is the centre of a large agriculture community that plays an important role in the economy of the Municipality.

The School of Engineer's Military bases and the Department of Correctional Services are situated within the municipality. The Municipality has recently become a distinguished holiday destination due to the ultra-modern and popular holiday resort of Kroonpark, adjacent to the Vals River.

The Viljoenskroon/Rammolutsi urban area is located within an area of extreme agricultural significance. The urban area plays a significant role in providing residential opportunities to the adjacent goldfields and mining activities in the North West province.

The Steynsrus/Matlwangtlwang urban area is situated approximately 45km east of Kroonstad and 92km west of Bethlehem. The major link road between Bethlehem and Kroonstad stretches adjacent to the urban area. Cities/Towns: Kroonstad, Renovaal, Steynsrus, Vierfontein, Viljoenskroon.

Main Economic Sectors: Agriculture, Commercial Transport, Business Services and Mining

## EXECUTIVE MAYOR



**Executive Mayor  
Cllr Pule Phooko**

**T**he Executive Mayor of Moqhaka Local Municipality is Cllr Pule Phooko, who took the office on 24 May 2019.

The executive work of the council of Moqhaka Local Municipality is co-ordinated by the Executive Mayor, who is elected by the council to provide a strategic direction for the municipality.

The Executive Mayor is assisted by a Mayoral Committee made up of 9 councillors. The Mayoral Committee is responsible for individual portfolios such as community development, housing or finance, and reports directly to the mayor. The Executive Mayor is also assisted by the Supporting staff in his office.

The structure act defines an Executive Mayor as an Executive Mayor elected in terms of section 55 of the act. Only municipalities of the type that have a mayoral executive system may have an executive mayor. A mayoral executive system is a system of municipal government which allows for the exercise of executive authority through an executive mayor in whom the executive Leadership of the municipality is vested and who is assisted by a mayoral committee.

The powers and functions of the Executive Mayor are set out in section 56 of the structures Act. The executive Mayor is the political head of the Municipality and exercises both statutory and ceremonial functions. These functions are illustrated below.

Functions and powers of Executive Mayors

(1) An executive mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive Mayor in terms of the executive mayor's delegated powers.

(2) The executive Mayor must-

- Identify the needs of municipality
- Review and evaluate those needs in order of priority.

(C) Recommend to the municipal council strategies, Programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and

(d) Recommend or determine the best way, including partnership and other approaches, to deliver those strategies, Programmes and services to the maximum benefit of the community.

(3) The executive mayor in performing the duties of office must-

- Identify and develop criteria in terms of which progress in the implementation of the strategies, Programmes and services referred to in subsection (2)

(c) Can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;

(b) Evaluate progress against the key performance indicators;

(c) Review the performance of the municipality in order to improve-

I. The economy, efficiency and effectiveness of the municipality;

II. The efficiency of credit control and revenue and debt collection services; and

III. The implementation of the municipality's by-laws;

(d) Monitor the management of the municipality's administration in accordance with the directions of the municipal council.

(e) Oversee the provision of services to communities in the municipality in a sustainable manner.

(f) Perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 59 of the local government: Municipal Systems Act; 2000 (Act 32 of 200);

(g) Annually report on the involvement of communities and community organizations in the affairs of municipality; and

(h) Ensure that regard is given to public views and report on the effect of consultation on the decisions of the council.

## COUNCIL SPEAKER



**Speaker  
Cllr Mpho Chakane**

**T**he Council Speaker of Moqhaka Local Municipality is Cllr Mpho Chakane, who took the office on May 2016.



The office of the Speaker is responsible for managing public participation through ward committees, stakeholder forums, petition processes, by-laws, etc, and enhancing the public participation role of the Speaker.

The Speaker is the chairperson of the City Council and presides over meetings. He or she is responsible for managing community participation in local government, particularly through the ward forums, by ensuring they function effectively.

The structure act defines the speaker as Councillor elected in terms of section 36 of the Act to be the chairperson of a municipal council as envisaged in section 160 (1)(b) of the constitution.

The speaker's role in a municipality is key to ensuring oversight, accountability, integrity, discipline of office and the efficient running of council meetings. As such, impartiality in the exercise of his or her function is essential for the speaker. The speaker must distinguish between his or her activities as a politician and his or her functions as a speaker. It also means that the function of the speaker and the non-partisan exercise of that function must be respected by members, parties and interests represented on the council.

The key principles underlying the role of the speaker are:

- a) Chair of council meetings.
- b) Implementation of the Code of Conduct and,
- c) Exercise of delegated functions including
- i. facilitating public participation in legislative matters
- ii. Establishment and functioning of ward committees and
- iii. Support to councilors

5.1 General principles regarding the functions of the speaker.

5.1.1. Legislative process

The overall principle in the determination of the function of the speaker is that the speaker is in charge of the legislative arm of the municipal council. This means that he or she must guard

the integrity of the legislative process. Further, the speaker must protect the 'checks and balances' between the legislature and the executive, in other words, the oversight that the council must exercise over the actions of the executive.

5.1.2. Integrity, privileges and interests of the council and Councillors.

The speaker is the guardian of the integrity of the council and the guardian of the member's privileges and interests as council members. The privileges and interests of councilors include freedom of speech and immunity in the council as well as the use of council facilities, receipt of allowances, training and support, etc. Importantly, this role, combined with the speaker's role in-terms of the code of conduct (schedule 1 to the system act), requires the speaker to guard against the abuse of Councillors privileges and interests.

5.1.3. Independence of the speaker.

The speaker must demonstrate impartiality. The type of functions that the speaker must exercise requires him or her to be recognized by all parties and interests groups in the council as the legitimate guardian of the integrity of the council and of council members.

5.2 Functions of Speakers.

The functions of speakers are set out in section 37 of the structure Act.

Functions of Speakers.

37. The speaker of municipal council.

- a) Presides at meetings of the council.
- b) Performs the duties and exercises the powers delegated to the speaker in terms of section 59 of the local government: Municipal systems Act, 2000 ( Act 32 of 2000);
- c) Must ensure that the council meets at least quarterly;
- d) Must maintain order during meetings;
- e) Must ensure compliance in the council and council committees with the code of conduct set out in schedule 1 to the local Government: Municipal systems Act, 2000 (Act 32 of 2000); and
- f) Must ensure that council meetings

are conducted in accordance with the rules and orders of the council.

COUNCIL WHIP



Council Whip  
Cllr Selloane khiba

The Council Whip of Moqhaka Local Municipality is Cllr Selloane Khiba, who took the office on June 2019.

The Council Whip's role is to maintain cohesion within the governing party and to build relationships with other political parties.

Other tasks include: making sure that each of the political parties are properly represented on the various committees maintaining sound relations between the various political parties attending to disputes between political parties.

The new system of government represents a paradigm shift from the old system since it incorporates a vision of a developmental local government system.

The Office of the Council Whip was created to bring synergy and to maintain discipline among all political parties (within the governing party as well as those outside the ruling party) He is expected to build cordial relationships with all political parties. The Council Whip's role covers both the political as well as the administrative functions of the Council with emphasis on political aspect.

The Council Whip of Council also serves as the Chief Whip of the ruling party and his responsibilities include the management of the ANC, supervision and management of the ANC Caucus as well as the efficient running of constituency work. The Council Whip and Caucus leadership bear the responsibility of motivating, advising and instilling discipline of perfor-

mance among Caucus members and councilors. The role of the Whippery is to manage the study groups and ensure that members of the party speak with one voice.

The Council Whip provides administrative and secretarial support services to all councilors. This support strengthens the effectiveness of councilors in their role as public representatives. The Office of the Council Whip is charged with the following responsibilities:

- Governance Work

The Council Whip plays a key role in promoting good governance. The Council Whip ensures that all committees of Council quorate through an equitable distribution of councilors to those committees.

- Political Accountability

One of the key roles of the Council Whip is to ensure that councilors are accountable to wards and their political parties.

- Conflict Management

The Council Whip on a continuous basis is called to intervene in disputes between communities and Councilors.

- Council Decision Making

The Council Whip plays a key role in facilitating consensus between parties in Council.

- Discipline of Councilors

The Council Whip and the Speaker of Council have a core responsibility to ensure adherence to the Code of Conduct by Councilors.

- Support of Councilors

The Office of the Council Whip provides administrative and secretarial support to all Whips, and also responsible for providing Councilors Capacity Development.

STRATEGIC GOALS

- To ensure good governance and political accountability of Councilors.
- To maintain discipline among Councilors
- To maintain sound relations between various parties.
- To ensure that all parties are proportionally represented in various committees of Council.



# MOQHAKA TAKES COVID-19 FIGHT TO INFORMAL SETTLEMENT



**Stemming the Curve:** EM of Moqhaka Lucky Phooko fumigates the informal settlement in Maokeng to curb the spread of Covid19.



**Executive Mayor Phooko Fumigate taxi rank:** Executive Mayor Fumigates kroonstaad Taxi rank, he also appealed to commuters and taxi drivers to wear masks at all times.



**Enforcing the law:** Members of the South African Police Service and South African National Defence Force patrol the streets of Moqhaka to enforce Lockdown rules.



**Mining Company Lending a help:** Moqhaka Municipality received food packages from De Beers Group to help disadvantaged families.



**Moqhaka Launch Operation Centre** EM Cllr Lucky Phooko and the Council Whip officially activated the Local Joint Covid19 Operations Centre in Maokeng.



**Abiding by rules:** Patients at Sedibeng Sa Bophelo Clinic observe Physical distancing



**From Left** Rev is Tsietse Khaile , Ellen Emily Khaile ,Lebo-gang Mphaka from De Beers Group,Lucky Phooko Executive Mayor ,Mosele Cecilia Raphuthing Cllr Hittie Makae and Cllr Mangaka Green donating food parcel and blankets to disadvantage families in Maokeng .



**PPE Donations:** Moqhaka Municipality in partnership with De Beers Group donated Covid 19 PPE's to Pax Clinic in Rammulutsi Viljoenskroon.

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Viljoenskroon Offices

Deneysen Street Viljoenskroon 9520  
Telephone no: (056) 343 9400

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Steynsrus Offices  
Van Riebeeck Street Steynsrus 9515  
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Other useful contacts  
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