

20 May 2024

PSAM submission relating to the Makana Local Municipality (MLM) Draft Budget and IDP for 2024/2025

- 1) The [Public Service Accountability Monitor \(PSAM\)](#) is a civil society institute based at Rhodes University which seeks to explore, better understand, and contribute to addressing particular societal problems originating from systemic public resource management (PRM) failures.
- 2) The PSAM welcomes the opportunity to review and comment on the MLM draft budget and IDP for 2024/25. We also acknowledge the municipality's recent efforts to identify and collaborate with external stakeholders such as the Makhanda Circle of Unity, Kagiso Trust and others who are invested in supporting positive transformation in the City. This bodes well for reversing the current adverse trajectory of Makana's governance and service delivery. We encourage further deepening of these collaborations in the months and years to come including those that seek to profile and support Makana on national and international platforms such as the Open Government Partnership.
- 3) Our comments and proposals that follow seek in summary, to ensure the following:
 - Genuine regard for the financial distress that most MLM residents find themselves in due to increasing levels of unemployment and the growing rise of cost of living;
 - That MLM residents should not have to carry excessive financial consequences, in the form of proposed tariff increases related to the provision of basic services, considering the origins, causes and historical trends related to the MLM's financial position and considering the current state of service delivery in MLM;
 - Improved responsiveness to MLM residents and service turnaround time through a well-resourced and supported Customer Care Centre;
 - Improved record management and consequence management in MLM.
 - Meaningful public participation in this democratic process and through other public participation mechanisms the MLM Council is constitutionally mandated to implement, to foster openness, transparency, and collaboration.
- 3) The PSAM notes that within the draft Budget for 2024/25 (at page 9 thereof, under paragraph 1.4.2) the following planned tariff increase:

"A tariff increase of approximately 6 percent from 1 July 2024 for water is proposed. In addition, 6 kl water per month will only be granted free of charge to registered indigent residents."

"In light of the drought situation, Makana Municipality's punitive tariff structure will continue to be implemented until the Settlers' Dam level increases considerably."

While the PSAM supports the provision of free, quality water to indigent households,

the PSAM is respectfully opposed to the proposed water tariff increase for the following reasons:

- a) As per our previous submissions on MLM annual draft budgets, the PSAM reiterates that the water supply challenges faced by residents in the MLM and the proposed tariff increases are not primarily due to the 'drought situation', as claimed by the Municipality. The MLM website misrepresents that Settler's Dam capacity is at 12.1%, with Howiesons Poort Dam reported to be at 22.7% of capacity. This data is inaccurate as both dams are near to or at full capacity. It is irrational and unlawful to continue to apply a punitive tariff when there is no drought situation and Makhanda's main supply dams have had abundant water for months. If anything, residents should be credited for any punitive charges applied to date. We call on Council to reject the application of a punitive tariff given the misrepresentations by MLM.

Notwithstanding the presence of water in these supply dams, many MLM residents have and continue to experience prolonged periods of disruption to water supply in contravention of the law and which results in human rights violations.

- b) The draft IDP 2024/25 identifies (see page 177, under paragraph 2.4.1.2) **aged and dilapidated infrastructure** as a barrier to ensuring consistent water provision in the MLM.¹
- c) Furthermore, the quality of drinking water provided to residents by the Municipality, when it is provided, has decreased significantly, putting MLM residents' health at risk.²
- d) This is further evidenced by the recent finding by the Community Water Testing Laboratory at the Rhodes University Innovation Centre (RUBIC) which detected the high levels of E.coli from a tap water sample taken at a home along Blackbeard Street, in Makhanda, on the 03rd of May 2024. The test was repeated and a similar result found. The test formed part of ongoing water quality drives being conducted in Makhanda by RUBIC in collaboration with PSAM and its Action for Accountability (A4A) Project team members (local Makhanda residents).³
- e) Therefore, to expect MLM residents to 'foot the bill' in the form of the proposed water tariff increase, that is above the current rate of inflation, when many continue to experience extended water supply outages due to aged and dilapidated infrastructure, inadequate maintenance, infrastructure breakdowns and human resource challenges within the MLM is unfair and unjust, in our view.

1: See for instance: <https://www.pressreader.com/south-africa/grocotts-mail/20240510/281595245624097>

2: <https://www.dailymaverick.co.za/article/2023-06-12-boil-before-drinking-notice-remains-for-makhandas-contaminated-water/>

3: <https://grocotts.ru.ac.za/2024/05/07/makana-water-crisis-wastage-due-to-broken-pipes-roar-sewage-and-e-coli/>

f) We are also mindful that those MLM residents who have the financial means to, already spend money on sourcing water through alternative means (such as the purchasing of bottled water, the installation of rainwater tanks etc.). Anecdotally - this and the aforementioned challenges may contribute to an increase in the out-migration of young, economically active workers and entrepreneurs that the municipality can ill afford to lose.

- 4) Within the draft Budget for 2024/25 (see page 10, under paragraph 1.4.4) we note the following planned tariff increase:

“A tariff increase of approximately 5 percent for sanitation from 1 July 2024 is proposed. The increase in tariff is necessary to ensure that service delivery standards are met and to secure the long-term sustainability of the service over the medium term. This is based on the input cost assumptions related to water.”

“The total revenue expected to be generated from rendering this service amounts to **R40,5 million** for the 2024/25 financial year.”

While the PSAM does support the provision of free, basic sanitation to the poor (registered indigents) and acknowledges that the proposed tariff increase is aligned with the current inflation rate and is mindful of the CPI, **the PSAM does not support this proposed sanitation tariff increase and requests that the Council reject the proposed tariff for the following reasons:**

- a) As conveyed in our previous submissions on the MLM draft IDP, residents of various areas across the MLM continue to report inadequate maintenance of sewerage lines that result in blockages and subsequent overflows/over spills and the prevalence of raw sewage in public spaces. This puts MLM residents at increased risk of exposure to serious health hazards. Regrettably, this everyday reality has become normalized in the MLM and is listed as a Risk in the Municipality’s Risk Register (see page 137 of the draft IDP 2024/25, under paragraph 2.3.10):

“**Risk Category:** sewer spillages and inadequate wastewater treatment plants. **Description:** 1. Inadequate capacity of the sewer system. 2. Aging infrastructure. 3. Insufficient qualified staff. 4. Low staff morale. 5. No maintenance plans (for the reticulation system and plants). 6. Vandalism of plants. 7. No maintenance budget. 8. Staff shortages in critical positions. 9. Illegal settlements. 10. Use of bucket system in informal areas.”

Furthermore, the draft IDP 2024/25 (see page 177, under paragraph 2.4.1.2) rightly acknowledges and describes the causes and consequences of this ongoing challenge:

- “Aged and dilapidated infrastructure”.
- “Insufficient capacity at wastewater treatment works, as the plant is operating above design capacity”.

- “Health hazards to the people and pollution to the environment”.
 - “Inadequate capacity of the collector mains (rising main and outfalls) resulting in sewer spillages”.
 - “Inadequate capacity of pump stations resulting in sewer spillages”.
 - “Storm water ingresses to sewer network system increases the inflow to the wastewater treatment works.”
- b) Poor sewage management is also partly to blame for the poor conditions of roads utilized by commuters in Makhanda, in particular.
- c) Considering such seriously inadequate levels of service in the MLM, it is unfair and unjustifiable to now seek such a tariff increase from MLM residents.
- d) As suggested in our previous submissions, the PSAM would encourage the MLM to motivate the National Treasury for increased conditional grant funding to address significant infrastructure challenges that continue to negatively impact on sanitation services and the conditions of the MLMs’ roads.
- e) That the MLM conducts regular oversight over the municipality’s financial performance and where necessary, institutes consequence management, to avoid underspending of such grants that are intended for service delivery.
- 5) Within the draft Budget for 2024/25 (at page 11, under paragraph 1.4.5) we note the following planned tariff increase:

“An increase of 5% in the waste removal tariff is proposed from 01 July 2024. The removal and sewerage service charges are running at a deficit and the municipality has taken steps to budget for a breakeven or surplus position. However, **due to continued struggles to adequately deliver services with an aged fleet and plant**, the municipality must propose an increase of 5% to reduce the deficit.”

While the PSAM does support the provision of free waste removal services to indigent residents, **the PSAM does not support this proposed waste removal tariff increase and requests that the Council reject it for the following reasons:**

- a) Residents of various areas across the MLM continue to report inadequate waste formal/informal removal services. The draft IDP/Budget 2024/2025 rightly acknowledges this (see page 65, under paragraph 2.1.4.1.6):

“Makana Local Municipality has a total number of 1410 (5.72%) households **which had to remove their refuse personally** (own dump).”

“When looking at the number of households with no formal refuse removal, it can be seen that in 2016 the households with no formal refuse removal in Makana Local Municipality was 1940, this decreased annually at 2.11% per annum to **2380 in 2022.**”

- b) This is further exacerbated by inconsistent refuse collection, the lack of provision of refuse bags and wheelie bins, which contribute to the increasing levels of illegal dumping and the creation of new, unofficial and unlawful dump sites across the MLM.
- c) Despite MLM acquiring various new refuse removal vehicles in recent times,¹ there have still been instances of erratic refuse collection which suggests ongoing inadequate management of staff and equipment.
- d) Therefore, it is against this background that such a proposed tariff increase would be unfair and unjustifiable.

PSAM submissions related to the draft 2024/25 IDP of the MLM:

- 6) The PSAM notes that the MLM Customer Care Unit is currently under-resourced (see page 164, under paragraph 2.3.18.2):

“The municipality has established a customer unit under Corporate and Shared Services Directorate with **one delegated staff personnel and switchboard operator**. The unit deals with receiving distribution and maintenance of the record, however, **the unit is not fully functional due to lack of resources**.

The municipality has developed and adopted a customer care policy and MobiSam customer care system in conjunction with Rhodes University to manage its complaints.”

- a) The PSAM proposes that funding for additional human resources to service the CCU be prioritized by the MLM over the MTREF, to aid efforts to improve service delivery turnaround times and position the Municipality to be more responsive to the service delivery needs of MLM residents.

- 7) In our 2021 submission on the draft IDP for the 2021/2022 financial year, the PSAM noted that the document recognized on page 165 under paragraph 2.3.13, dealing with *Record Management*, that:

“The municipality does not have proper record keeping and no record management system is in place to ensure that documents are filed and stored correctly. The municipality currently has a manual system of record keeping and document management and the system is characterized by poor record keeping and ineffective document management as well as the loss of documents amongst others.

An electronic document management system was installed in the municipality but has not been functional. Staff should be trained on the

¹ <http://www.makana.gov.za/new-truck-s-main-purpose-is-to-address-illegal-dumping/>

electronic document system. The record keeping function within the municipality needs to be reviewed and improved including document security for the protection and management of information.”

- a) Considering the aforesaid is reiterated in the draft IDP 2024/2025 (see page 138, under paragraph 2.3.12), **the following revised phrasing is re-proposed for the second paragraph of section 2.3.12 of the IDP dealing with Record Management:**

“An electronic document management system was installed in the municipality but has not been functional. In 2024/2025 all section 57 managers and heads of department will receive in- house training to support routine use of the electronic document management system. Record management will be the subject of assessment during performance assessments of staff. **Consequence management action will be taken against staff who perform inadequately and result in critical audit findings relating to record management that forms part of their responsibilities.**”

- 8) The PSAM notes from the draft IDP 2024/25 that a *Petitions Committee* is still to be established by the new Council (see page 164-165, under paragraph 2.3.18.2):

“Makana has also developed and adopted a Petition Public Participation Policy in 2016, this policy requires the Municipality to establish a Petitions Committee to consider and dispose petitions, and matters incidental thereto, create mechanisms for communicating with petitioners and provide feedback to petitioners and provide for the resolution of disputes that may arise from petitions.

Petitions Committee still to be established by the new Council...”

- a) The PSAM proposes that the establishment of a fully functional Petitions Committee be prioritized and supported by the current administration as a mechanism to deepen democracy and provide feedback to petitioners, including MLM residents, on service delivery related matters as well as matters of public importance.
- b) If or once the Petitions Committee has been established, the draft IDP 2024/25 should be updated so that MLM residents who engage the document are made fully aware.
- 9) We note and appreciate that the draft IDP recognizes the importance of taking on a *community-based approach towards planning* (see page 42, under paragraph 1.11.9):

“The IDP is about determining the stakeholder and community needs as well as priorities which need to be addressed to contribute to the improvement of the quality of life of all residents within the Municipal area.”

“Various stakeholder and sector departments are involved during the drafting of an IDP development process and this process comprises 13 ward meetings and IDP sector meetings.”

“The IDP public meetings are conducted to ensure that people are included in the planning and to assist the Municipality to achieve its long-term development objectives. It will also guide the ward in what it will do to take forward its own developmental programme with support from all role players.”

We would propose:

- a) Opportunities for the public to review, understand and engage the draft IDP/Budget to be afforded earlier. This is key to ensure the strengthening of collaborative efforts between the Municipality and those it exists to serve and to foster a culture of co-creating appropriate solutions to challenges faced by local communities, especially the historically disadvantaged and vulnerable.
 - b) That the content provided in the annual draft IDP/Budget be accurate, in full and up to date.
 - c) That the IDP/Budget/SDBIP/Mayoral Imbizo Reports be made easily available to constituents, including braille or recorded versions to assist the blind, and that in the spirit of learning and linking, the Municipality create and implement suitable mechanisms for public education awareness on the IDP/Budget prior to the annual/bi-annual public participation meetings.
 - d) The MLM consults and engages the Makhanda Disability Forum to incorporate their submissions into the final Integrated Development Plan (IDP), for accurate profiling, understanding and prioritization of the issues and needs concerning people with disabilities in Makhanda.
 - e) That sufficient notice be given to MLM residents for draft IDP/Budget public participation meetings facilitated by the Municipality and that the venues identified for public participation meetings be easily accessible and disability friendly, comply with legislative prescripts related to occupational health and are serviced with water, electricity, and adequate ablution facilities.
 - f) We continue to encourage residents and the MLM to harness the opportunities afforded by the Open Government Partnership Local initiative that seeks to support public servants and active citizens to build more effective, open and responsive local government. We would like to extend our appreciation to MLM for their ongoing interest in contributing towards this initiative.
- 10) This submission has been drafted under tight timeframes and mindful of other pre-existing deadlines. Should any of the analysis and assumptions informing the PSAM position and proposals be inaccurate we would welcome feedback in the spirit of meaningful public participation and informed and constructive engagement. Thank you.

ENDS

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