

30 November 2018

To: **The Municipal Council**
Govan Mbeki Local Municipality
c/o: Speaker of the Council
Cllr NG Zuma
Per: E-mail (nhlakanipho.z@govanmbeki.gov.za)

Dear Sirs.

RECOGNISION OF ORGANISATION UNDOING TAX ABUSE (OUTA) AS A LOCAL COMMUNITY ORGANISATION

OUR REF: L6BD/01

YOUR REF: UNKNOWN

1. The Organisation Undoing Tax Abuse (OUTA) is a proudly South African non-profit civil action organisation, comprising of and supported by people who are passionate about improving the prosperity of our nation. OUTA Local was established to challenge the abuse of authority, in particular the abuse of taxpayers' money in Local Government and more particularly in Municipalities.
2. OUTA was approached by members of the Govan Mbeki community for assistance in resolving, amongst others, municipal service delivery issues. OUTA – Govan Mbeki Local Branch was subsequently initiated during April 2018.
3. OUTA Local Government Division is a properly established community-based civil rights organisation forming part of OUTA, under its national Memorandum of Incorporation, and which acts on behalf of the community in the form of its supporters and is actively involved in local affairs within Govan Mbeki Local Municipality.
4. In the spirit of engagement and cooperation, we would like to be formally recognised as by you and wish to establish a communication platform through which OUTA – Govan Mbeki Local Branch can actively participate and engage with the Municipality.
5. Some of the concerns that have come to our attention and which we would like to engage on are:
 - 5.1 Non-compliance of the Municipal website with legislative requirements;
 - 5.2 Possible shortcomings of the current IDP;

- 5.3 Lack of financial planning and alignment of the current budget with the IDP;
 - 5.4 Proper recording and planning for the indigent community;
 - 5.5 Possible shortcomings of the Municipality in facilitating community participation;
 - 5.6 Possible shortcomings in Municipal Policies and By-Laws; and
 - 5.7 Lack of service delivery by the Municipality.
6. Of more immediate concern to us, is the issue of the increase of senior managements' remuneration as provided for in terms of the "*Local Government: Upper Limits of Total Remuneration Packages Payable to Municipal Managers and Managers Directly Accountable to Municipal Managers*"¹.
 7. Section 4(2)(a) of the Systems Act² requires the Municipal Council to: "***...within the municipality's financial and administrative capacity and having regard to practical considerations, has the duty to ... exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community...***" (Own emphasis added)
 8. We submit that a Municipality such as Govan Mbeki, that is in financial and service delivery turmoil, should not utilise its financial resources for the financial gain of Senior Management.
 9. It cannot be said that an increase in remuneration of Senior Managers and the Municipal Manager, in light of the current financial and practical considerations, amounts to the utilisation of the Municipality's resources which is in the best interest of the local community.
 10. We hereby make formal objection to the increase in the remuneration of Senior Managers as per "the Upper Limits Policy" and demand a rescission of the resolution to approve the increase as taken by the Council on 29 November 2018.
 11. Further, have notice that an Integrated Development Plan (IDP) review consultation with residents of Ward 9 and 19 was held at Roodebank Primary School on 18 November 2018.
 12. OUTA Local and our supporters wish to partake in all community participation opportunities and would like to request the official notice published in respect of the community comment as well as the schedule of all community participation dates and venues.

¹ As contained in Government Notice No. 1224 as published under Government Gazette No. 42023 of 8 November 2018. Hereinafter referred to as "*the Upper Limits Policy*".

² Local Government: Municipal Systems Act, 32 of 2000

13. Finally, take note that we are currently obtaining legal advice from council on the issues raised on paragraph 5 – 10 above and request that you rescind the resolution taken on 29 November 2018 urgently but no later than Friday, 7 December 2018.
14. Should you fail to respond we will have no choice but to consider all legal remedies available to us.
15. In the event of any queries kindly contact our Provincial Manager, Mr Michael Holenstein, at michael.holenstein@outa.co.za.
16. We trust that you find the above in order and require an acknowledgement of receipt.

Yours Sincerely,



Dr M Khoza
Executive Director
OUTA Local Government

CC: **The Executive Mayor**
Govan Mbeki Local Municipality
Cllr Thandiwe Y Ngxonono
Per: E-mail (office.mayor@govanmbeki.gov.za)

CC: **The Municipal Manager**
Govan Mbeki Local Municipality
Mr SF Mdebele
Per: E-mail (office.mm@govanmbeki.gov.za)

CC: **Office of The Head Provincial Treasury**
Provincial Treasury: Mpumalanga
Ms. NZ Nkamba
c/o: Office Head - Ms. E Chego
Per: E-mail (echego@mpg.gov.za & nznkamba@mpg.gov.za)

CC: **Minister of Cooperative Governance and Traditional Affairs**
Dr Z Mkhize
c/o: Private Secretary - Ms G Sylvester
Per: E-mail (GeorginaS@cogta.gov.za & nznkamba@mpg.gov.za)