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TO: MAPITI MATSENA  
SECRETARIAL SERVICES

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*Comments on the policy for Municipal Entities which was distributed to a number of committees two of which are the Corporate Services and Finance of which I am a member.*

**Process towards the appointment of Board of Directors of Municipal Entities as referred to in Section 93E of the Municipal Systems Act 32 of 2000 and the Board Charter for Municipal Entities.**

**General remarks on the Policy:**

In principal the CDP must object to this report in its present form and the necessity for these Municipal Entities in general. It appears to be just the creation of another structure in an attempt to rectify the inabilities of the present metro system, introduced by the ANC, to cope with the running of the city. On the other hand, as Municipal Entities are mentioned in the Municipal Systems Act there must be a place for them in Local Government. It needs to be carefully considered so that it doesn't degenerate into a body that is not performing and is an embarrassment to the Council, because it doesn't carry out its directive, neglects reporting and gives inferior service. We are embarking on an unproven path, especially if we are to consider the plan we have before us.

*Therefore it would be appreciated if you would consider the following suggestions and clarify some of the questions:*

- Page 13 - 9.3.1 - 9.3.2 Confidentiality and Records - Why the confidentiality of Board proceedings when it is a Municipal entity and should be transparent. After all, it is not in the same position as a private company which has every right to have a closed door policy. This requires some explanation?
- Page 16 number 15 – “The Board Charter shall be reviewed by the Board as and when necessary to ensure that it remains relevant to the business objectives of the Company. The review process shall be initiated by the Company Secretary in consultation with the Chairman.” Does this mean that the Board Charter can be changed by the Board?
- Page 17 Number 2 “The Composition of the Board of Directors must represent the demographics of the City of Tshwane and include at least fifty percent (50%) female board members.” In principal the CDP cannot agree with this at all. At this point, I will not go into reasons but must point out that when it is stated “at least fifty percent” it opens the door for an even more unacceptable situation. The statement is saying, in other words, the company must have at least fifty percent women. This means it can have even more and it does not protect the male gender which should be the provider for his home and the main breadwinner. This can also be misused to the detriment of society. Take for an example our present ANC leadership in the council, which is 7 women to 6 men. That is approximately 54% women and 46% men. We are already infringing on the percentage that belongs to the male gender.

- Page 19 number 6.3 Evaluation Criteria – We are right back to the same old tired way of evaluating criteria. Once again we show that South Africa has failed. They have not found innovative ways of building an inclusive nation but would rather continue to ride the old hobby horse.

But I will rather put it positively than in a negative manner. The CDP would prefer and therefore suggest altering the list accordingly:

- ✓ Highest level of integrity
- ✓ Place of residence
- ✓ Suitable experience and expertise
- ✓ Proof of relevant qualifications by way of certified copies of documents
- ✓ Expertise in at least one but preferably more than one of the key required areas
- ✓ All references to be checked
- ✓ All municipal rates, taxes and all outstanding income tax must be paid up

The references to Youth and people with disabilities, previously disadvantaged individuals and 50% board members being female to be removed. This is unacceptable to the CDP. The CDP has no problem with being fair and giving everyone a decent chance but lets rid ourselves of this politically correct way of approaching things and do things for the benefit of the city as a whole.

- Page 20 - Term of appointment - “Directors should be appointed for a period to coincide with the political term of the Council. In order to ensure a smooth transition of its operations, a six (6) month extension period after the expiry of term of Council should be included.” The CDP does not believe that this has been well thought out. Firstly, if we combine this with the political term of the council it makes one wonder what usefulness and for what reason do we have these entities. Are they the same as political offices that are only there for the political people, or are they supposed to be functioning for the people of Tshwane and performing a service? It makes them irrelevant and undermines any project they might be involved in.

Is the Municipal Entity a source of jobs for political friends and a way of training? Are we preparing those involved to go out and find positions in another company after the political term? This is not how the CDP envisages the municipal entities concept and with this type of restriction, we cannot go along with it. There is much too much politics in local government already without changing every municipal entity every time there is a change of local government. If we cannot trust an elected local government to choose a Municipal Entity that will be acceptable to the next elected local government, especially if they are going to be the same party as the present one, than there is something really wrong with politics in South Africa. A change like this will bring about instability and cannot be considered healthy for a stable local government situation. Besides if that is the reasoning behind this concept than the CDP must question the motive for moving forward with Municipal Entities.