



FETAKGOMO – GREATER TUBATSE
LOCAL MUNICIPALITY



South Africa's first democratic platinum city

Mayor`s address at the Council Meeting to Consider 2016/17 Budget Adjustment , Council Chambers, 27 February 2017

Madame Speaker

Chief Whip

Members of the Executive Committee

Traditional leaders

Councillors

Municipal Manager and the Senior Managers

Officials

Media

Ladies and gentlemen

Madam Speaker, allow me to pass our sincere and heartfelt condolences to the family of Monare and the entire community of Baroka ba Phasha for the loss of Kgoshi Phasha who passed on. Monare was part of this Council and it befitting that we convey our condolences to the family, Bakgoma le Bakgomana and the entire community. He has left behind a void in Council and it will be difficult to fill. This is a difficult period for all of us in Fetakgomo-Greater Tubatse Municipality as we are still mourning the passing of Kgoshigadi Nchabeleng who passed on in December 2016. We believe that God will give us strength to pass through this trying time. A moya wa gagwe o robale ka khutso.

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We are gathered here to consider the budget adjustment after going through the Mid-term assessment ending December 2016. It is important for the Council to relook at the commitments made during the beginning of the financial year and to check if they are still relevant and to mitigate where challenges were faced. We must also consider the time which is left to complete the financial year.

In our last Exco Lekgotla held in January 2017, the overall performance of the Municipality for the past Six months was at 49% but of great importance our Municipal Infrastructure Grant spending was at 75% and the Municipality was rated number One in Sekhukhune District and number 3 in the Province. This is an indication that more work is done on the ground to implement capital projects and we are confident that before the end of the financial year our spending will be at 100%. Currently we are engaging National department to allocate more funding to complete other projects.

We would like to thank the administration team led by the Municipal Manager by embarking on the budget adjustment process and we believe justice was done in shifting funds to where they are needed most. Our priority should be on service delivery issues as people are impatient and expect government to provide basic services to them. It will be important to focus on areas like roads, electricity, access bridges, fencing of cemeteries and provision of free basic services.

There are perceptions that the Municipality is not delivering services to the communities and it is our responsibility to dispel those perceptions by making sure that every Cent is spend on projects that will have positive impact on the lives of our people. We cannot afford to be labelled as people who are using money on non-essentials things but we must be seen as the Council that responds to the needs of the communities.

We must take cue from the National Development Plan and use our resources to fight the three main scourges which are poverty, unemployment and inequalities.

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Our Municipality is regarded as one of the fastest growing economies in the country but the picture in our communities does not represent the wealth surrounding us. We should make sure that the projects implemented in our communities are able to create employment and reduce the rate of poverty.

During the recent State of the Nation Address President Zuma indicated that State is spending R 500 billion a year on buying goods and services and R900 billion on infrastructure and State will play a role in driving the economic transformation. As the local sphere of government we need to play our role by making sure that our Supply Chain management policy is able to cater for the growth of the emerging black owned entities in benefitting from the our resources.

Below is the summary of the adjustment made from all our departments and the areas which are critical for the provision of services in our communities. However we must mention that the Municipality `s finances are in a healthy state despite the litigations that we faced in the past. We shall endeavour to make sure that our investments are geared towards accelerating the provision of services in our communities.

- Total revenue was adjusted from R628 million to R685 million
- Total expenditure was adjusted from R479 to R509 million
- Total capital expenditure was adjusted from R241 million to R253 million

We must take note that the adjustment was influenced by the spending patterns as at 31 December 2016 and in that way some activities got more allocation while others experienced decrease. The following areas got more allocation from the original budget;

- Legal fees increased from R3,7 million to R10 million to cover for anticipated costs
- Travelling for Councillors increased by R400 thousands
- Repairs and maintenance of roads increased to R35 million to accommodate all the wards in terms of grading and re-gravelling of access roads in the rural areas. This is the area where we must focus because most of our roads are damaged during rainy season and we must make sure that are always accessible.

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- Additional R8 million was made to purchase yellow machine to augment the current fleet
- An increase of R1.5 million is made to cover the costs of maintaining highmast and street lights

Reductions were made from the following items;

- Purchase of landfill site was reduced by R15 million to fund capital projects
- Public Private Partnership on waste management was reduced by R25 million
- An amount of R38 million was removed from the budget

As indicated the Municipality had healthy reserves as at 31 December 2016 and from our those funds the following capital projects are going to be undertaken;

- Motodi Sports complex
- Mamogolo electrification project
- Leboeng access road
- Thokwane access road
- Tukakgomo access road
- Ngwaabe internal road
- Magobading cemetery
- Praktiseer testing station
- Acquisition of roads servitudes
- Designs of 8 access bridges

The total costs for such projects amount to R112 million. This is done to accelerate the provision of basic services to all our communities. In addition adjustment has been made on projects funded by Municipal Infrastructure grant and the purpose is for those projects to be completed and handed over to the beneficiaries.

Our wish is to see our communities benefitting from the implementation of this project by making sure that locals are employed and the SMME`s are given an opportunity for skills transfer.

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Madame Speaker allow me to make the following recommendations to Council for approval

- 13.1.1 Total revenue be adjusted from R628 million to R685 million,
 - 13.1.2 Total operational expenditure be adjusted from R479 million to R509 million,
 - 13.1.3 Total capital expenditure be adjusted from R241 million to R235 million as follows:
 - 13.1.4 Capital budget for own funding be increased from R79 million to R112 million,
 - 13.1.5 Capital budget for MIG projects be reduced from R81 million to R80 million to be aligned with National Treasury allocation ,
 - 13.1.6 Cash reserves of R61 million be utilized out of the R173 million cash reserves on 10 August 2016 to fund the deficit of R61 million emanating from the 2016/17 adjustment budget.
- 13.2 That the adjusted budget for the financial year 2016/17 be submitted to National and Provincial Treasury and relevant stakeholders in the prescribed format.
- 13.3 That the budget adjustment for 2016/17 be placed on the Fetakgomo /Greater Tubatse Municipality website as prescribed by MFMA section 75(1).
- 13.4 The Medium Term Expenditure Framework (MTEF) for 2017/18 and 2018/19 will remain unchanged, which will be reviewed with the 2017/18 annual budget and IDP process.

I thank you