

BUDGET SPEECH TO BE DELIVERED BY THE MAYOR, CLLR  
RALEPANE MAMEKOA AT THE FULL COUNCIL SITTING OF  
GREATER TUBATSE MUNICIPALITY ON THE 30<sup>TH</sup> MAY 2008

Madame Speaker  
Members of the Executive Committee  
Chief Whip  
Councilors  
Magoshi  
Members of Ward Committees and other committees  
Distinguished guests  
Ladies and gentlemen

It is with great pleasure to present to this August house the budget for 2008/2009 to 2010/2011 financial years. This is the ninth budget presented since the establishment of Municipalities in 2000. Our regards goes to those who have served this Council and our communities before us for they have laid a foundation for us to continue with the mandate of serving our communities. We draw the inspiration from work and the comradeship that they have demonstrated in serving our people, and today Madam Speaker I am humbled to represent this Council in bringing to our people the budget that endeavors to bring better life for all.

I would like to take this opportunity Madam Speaker on behalf of this Council to condemn the acts of hatred and violence that we have witnessed in the recent weeks on our fellow African brothers and sisters. Madam Speaker we want to pronounce these acts as barbaric, embarrassing and shaming to our democracy. The government which all of us are part, have created platform where every individual or group can access and make use of to address any issues concerning their social and economic being. Madam Speaker there is no excuse for this kind of inhumane actions that we have witnessed and also want to take this opportunity on behalf of the Council to pass our condolences and apologies to all those that have been affected by this misfortunate acts. Our hearts go out to you and your families.

As one of the municipalities that has mining activities, we are not prone to this potential acts. Madam Speaker the mining industry in its

nature and history employs people from all walks of life with no boundaries, and as the result we need to make a concerted effort to ensure both the social and physical security of the foreign nationals within our municipality, in ensuring that they continue with their normal day to day livelihood.

### *Fiscal Review and Service Delivery for 2007/08*

On the financial side for 2007/08 the municipality has produced an improved performance in terms of the set programs and other commitments that were planned for the 2007/08 financial year. On the operational side, we have up to date spent 95% of the 2007/08 budget on the planned activities as per municipality's approved Service Delivery and Budget Implementation Plan. We are proud to announce among other the following achievable milestones.

- Continuous capacity building of ward councilors and ward committees, which has strengthen the relationship between the municipality and the communities on service delivery issues
- Continuous delivery of Free Basic Electricity to our needy households
- Successful piloting of the Free Alternative Basic Energy, which will in future assist the Municipality in developing strategy to benefit needy households with free alternative energy in areas that do not have electricity
- Enhanced public participation programmes that assist in taking the Municipality closer to the people and improving accessibility of the Municipality to the communities. Madam Speaker, over the past two years the Municipality has successfully held imbizos in various communities around the municipality maintaining continuous interaction with the masses to register and address their concerns.
- Implementation of GAMAP compliant Municipal Asset register, which will go a long way in assisting the Municipality to account for its assets properly.

- Implementation of the New Property Rates Act as required by the MFMA. Madam Speaker I must announce that this municipality is one of the two municipalities in Limpopo that was successful in implementing this act in this financial year of 2007/08. It was a mammoth but achievable task and we hope to be a good resource to other municipalities on lessons learnt.

On the service delivery mandate, we are proud to announce the following achievements

- Our Municipality was conferred with a Vuna award for Good governance and Public participation by the Limpopo Department of Local government and Housing
- In terms of the research done by UNISA `s Bureau of market research and commissioned by the Greater Sekhukhune District Municipality, our Municipality was given a rating of 7.04 over 10 in relation to service delivery profile. This means that we are on course to achieve our mandate of delivering quality service to our communities.
- The municipality is currently finalizing the implementation of the public works unit which is intended at maintaining the Municipality's vast rural roads. This unit should be able to commence with work in the beginning of the 2008/2009 financial year.
- Madam Speaker, the Municipality was been able to spend 100% of the Municipal Infrastructure Grant from the national government by the end of March 2008. With the additional own funding We were able to tar 4,5 kilometers of the roads in Burgersfort, Praktiseer, Ngwaabe respectively. We are on course to complete all our infrastructure projects before the end of July 2008. This is continuous effort to develop the Municipality's growth points so as to sustain their economic viability
- Electrification of Magakala and Manoke villages. We have made financial interventions to assist in the completion of these projects and we can report that we are only left with the process of energisation which will happen as a matter of urgency.

- Installation of high mast lights in 9 villages which are considered to be hot spots for criminal activities. The hot spots include Ohrigstad, Ga-Mathule, Ga-Malekane and Driekop cross.

Obviously Madam Speaker the above success highlights came with the equally challenging issues that the Municipality had to deal with in the 2007/08 financial year. Without celebrating these challenges Madam Speaker, allow me just to mention the most important ones, in so doing affording our community an opportunity to keep track of the municipality's work plan to address these drawbacks.

- Low level of services payments by the ratepayers posed very challenging times for us, and has put the Municipality under tremendous financial pressure. Madam Speaker this happened at the time when the Municipality was reviewing its credit control and debt collection strategies and I am thankful that our efforts have bore fruits and we are thankful to those ratepayers who heed our call to pay their accounts. Madam Speaker, our cash flow situation has sent very mixed and panic signals to our stakeholders and I'm very confident to report today that our collection rate for services is steadily improving and we are not closing shop as inaccurately reported in the Media. Madam Speaker we are also making concerted effort to adequately and timeously address the community highlighted issues regarding adequacy of services rendered, which hinders the willingness and the attitude of our people to service their accounts.
- The delivery of water services to most of our rural areas remain a challenge to us Madam Speaker, We must mentioned that our Municipality is not Water and Sanitation Authority and therefore the powers are allocated to the Greater Sekhukhune District Municipality as per legislation. We applaud the efforts of the District Municipality by continuing to pump more financial resources to provide our communities with water. In partnership with the District Municipality we are working hard to ensure speedy provision of water so that every household in the municipality have access to this basic service.

- The construction of De Hoop dam has begun and we are waiting in anticipation for its completion to bring relieve in terms of water provision.
- Madam Speaker, kabo ya ditirelo tsa mohlagase metse magaeng (rural areas) e sale thlobaboroko. Bjale ka Mmasepala wa selegae ga rena maswanedi go tswa mmusong wa gare go aba ditirelo tsa go gogela metse ya rena mohlagase. Seo se dirile gore bjale ka mmasepala re emise ka lenaneo la go dira ditekanyetso tsa mohlagase, eupsa re swere dipoledisano tseo di tseneletsego le ba ESKOM, DME le Mmasepala wa Selete wa Sekhukhune ka maitapiso a go tswetsa lenaneo la mohlagase pele. Madam Speaker in the past weeks, we have witnessed the frustration of our communities in the form of lack of service delivery marches where the demand of water and electricity were topping the list.
- We must mention that the provision of electricity is a major challenge facing our country today. It is a common knowledge that ESKOM is experiencing capacity challenges that the country is going to live with for the coming 3 to 4 years. We must all be patient with this process because ESKOM has started by erecting Power Stations to address the electricity crisis. We are still committed to follow the priority list of electrifying our villages once the capacity problem is addressed.

***Allow me Madam Speaker to present the 2008/09 – 2010/11 budget***

**Rates and other services**

The budget that the Municipality present, depend on the amount of revenue that we anticipate to receive in the form of rates and other payable service rendered by the Municipality and grant funding from the national and provincial governments respectively.

On the rates and other payable municipal services, Madam Speaker we are considering the approval of budget at the time when our economy is very volatile and sensitively responsive to

various global effects that has resulted in high inflation. We are witnessing very huge increase in prices of commodities in the global economic trade as well as high price increases for basic stuff and other household consumables. Madam Speaker the rate of inflation has a negative effect on the spending power of our people and we have taken into account as well as the affordability of our people in the determination of our tariffs for rate and other services. The municipality is also player in the competitive economic market and we are not exempted from the current economic inflation.

Madam Speaker, our tariffs for 2008/09 financial year which inform our projected revenue and expenditure are as follows:

- On Assessment rates – these are rates which are ratable and payable by law by all households and any other person who owns property valuable in terms of the Municipality's valuation roll. Madam Speaker, like I have indicated earlier on that the Municipality has introduced the New Property Rates Act in the financial year 2007/08, we have learnt valuable experiences in the implementation of the Act. One of the important experiences was that our assessment rates for 2007/08 were not easily affordable for our communities. For that Madam Speaker, we have reduced our assessment rate in all property categories by at least 35%. Assessment rates are one of the important revenue sources for the municipality and I hope this tariff determination will go a long way in improving the rates affordability by our community.
- Madam Speaker, like I have indicated that as the Municipality we were not spared the pain of rapid price inflation increases; we have effected the unavoidable increase of 10% for all our tariffs' for water, sewage, refuse removal and cemeteries for 2008/09 financial year. Of important also is that we have revised our basis for sewage tariffs from charging per number of toilets to charge per square meter of the site. Churches will be charged at a fixed tariff and Schools will be charged per number of student enrollment. I believe this will provide more reasonable and effective basis for the sewage charges.

- Other tariffs' Madam Speaker, include charges for other ancillary services which are not necessarily the primary service delivery business of the Municipality. Of very importance I must announce the new tariffs to be implemented in the financial year 2008/09 for outdoor and billboard advertising, which will go a long way in assisting the Municipality in controlling the erection of already congested signage in the Municipality.

Madam Speaker, in the determination of the tariff for this budget, we have taken into account our indigent people who cannot afford to pay for basic services. We have made provision for this category of people to benefit from Free basic services and other subsidies.

Madam Speaker the revenue budget stands as follows;

- Revenue anticipated from rates and other services is R66 420.652. This represents income that the Municipality generates from its own revenue sources and has grown by 61% from the 2007/2008 financial year. This percentage increase speaks volume of impressive development in our Municipal area in terms of household and business establishments.
- The revenue grants funding stands at R64 236.850, which represent 35% increase from grants received in the 2007/2008 financial year.
- The revenue from sundry income stands at R11 734.615. This category includes revenue generated from all non-primary business of the Municipality from time to time, inter alia, traffic services which represent 60% of this sundry income. Madam Speaker the Municipality has re-aligned its traffic services strategy to focus more on road safety and control, rather than economic service hence a drop of 51% from the revenue budgeted for the in the 2007/2008 financial year.
- In overall the total budget for the revenue for the 2008/2009 budget stands at R142 392.117.
- The budget which is presented today is meant to benefit both residents in urban and rural areas equally.

Madame Speaker the expenditure budget should by legislation match the projected revenue for the financial year. Our expenditure budget for the 2008/2009 financial year comprises of the following items;

- R 46 720,198 is allocated for labour costs and it accounts for 32% of the total operating cost and it is within the norm of 35% of the expenditure costs. We must announce that the Council has placed a moratorium on the employment of new staff in the 2008/2009 financial year, except for extreme essential services. This is done to keep the labour costs within the required norms of fiscal policies.
- Remuneration costs for Councillors is R10 863,977
- General costs, which is the core business of the Municipality is budgeted for R82 045,143 which makes up 58% of the total expenditure.
- R2 762,800 is set aside to service the Municipal loans acquired to fund the medium term capital program for 2007/2008 – 2008/2009 financial year.
- SANRAL has made a contribution of R17 million to improve the state of our roads.

The following are some of the major programmes which are to be implemented in the 2008/2009 financial year and following two financial years as required by the Municipal Finance Management Act;

2008/2009 Capital projects are as follows

- Upgrading of Praktiseer roads – R3 700. 000
- Praktiseer internal roads – R6 565. 000
- Burgersfort road - R5,400,00
- Rural Roads Maintenance (Small Access Bridges) – R5, 722,002
- Rural Roads Maintenance (Rural Maintenance Graders) – R5, 000,000
- Community Hall – R4, 500,00

2009/2010 financial year capital projects projections;

- R 3 000.000 for the street lights and high mast lights in rural areas



- R8,900,00 for Burgersfort roads
- R3,500,000 for Ngwaabe internal roads
- R5,449,209 for Rural roads maintenance in the form of Small Access Bridges
- R5,000,000 for roads re-gravelling
- R4,599,000 for Community halls
- R6,020,000 for Orighstad Internal Roads
- R1,500,000 for Traffic lights

The 2010/11 capital program projections are as follows:

- R5,000,000 for streetlights and high mast lights
- R10, 150,000 for Burgersfort
- R5,829,906 for Rural roads maintenance in the form of Small Access Bridges
- R6,000,000 for Rural roads maintenance in the form of Roads re-gravelling
- R4,500,000 for Community halls
- R7,520,000 for Orighstad Internal roads
- R8.000.000 for Praktiseer internal roads.

All the projections are a result of the interactions we had with our communities and other stakeholders during IDP/Budget consultative meetings conducted over the past 3 months. In our consultative meetings most concerns raised were over the lack or poor provision following basic services;

- Electrification of villages
- Water provision and reticulation
- Roads
- Theft of water pumping machines
- Access bridges
- Community halls
- Street lights

We can report that the budget presented today is trying to address the concerns of our people and we will continue to do so in partnership with all spheres of government. I must reiterate that the Executive Committee has recommended that we arrange an urgent

meeting with ESKOM to look into the possibility of electrifying villages where there is capacity to do so.

I would like to thank the Council, the administration under the leadership of the Municipal Manager Mr Phaahle Malepeng, our ward committees and the community as a whole for the support rendered over the years and we hope that this partnership will continue for many years to come.

I thank you