

LEJWELEPUTSWA DISTRICT MUNICIPALITY



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COUNCIL RESOLUTION C 36/05/17

COUNCIL RESOLUTION (EXTRACT FROM MINUTES) OF THE COUNCIL OF THE LEJWELEPUTSWA DISTRICT MUNICIPALITY HELD IN THE MOROGORO COUNCIL CHAMBERS, LEJWELEPUTSWA DISTRICT MUNICIPALITY BUILDINGS, CNR JANHOFMEYER & TEMPEST ROAD, WELKOM ON WEDNESDAY, 31 MAY 2017 AT 10:00

ITEM NO: C 36/05/17 FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET 2017/2018 FINANCIAL YEAR: (2017/05/31)(FS)(EM)

The Hon Executive Mayor Cllr Sebenzile Ngangelizwe delivered his Final Budget Speech for 2017/2018 Financial Year as follows:

*Madam Speaker, Cllr PP Maleka
Chief Whip, Cllr. MJ Meli
All Members of the Mayoral Committee
Leadership of the Political Parties
Fellow Councillors
Municipal Manager
Management and Staff members
Representatives from other Spheres of Government
Trade Union Leadership
Community leaders
Distinguished guests
Members of the Media
People of Lejweleputswa District Municipality*

BACKGROUND

Let us be reminded of the profound wisdom of comrade OR Tambo who have devotedly watched over the organisation all these years. In its January 8 Statement, the ANC says, "Comrade Oliver Reginald Tambo would have celebrated 100 years of age had he lived until 2017. We dedicate this year – his centenary – to him.

President OR Tambo served as president of our Movement and is regarded as the glue that held the many facets of the organisation together during the difficult years in exile. Comrade OR united the Movement by listening and engaging with the concerns of comrades, by staying true to the core values of the organisation and through displaying great integrity and discipline in serving his people". We therefore should maintain and mirror those values to serve our people with dignity.

Madam Speaker, today we mark the end of the celebrations of the African Month wherein Africa Day was celebrated throughout Africa. Africa Day is commemorated annually to acknowledge solidarity, heritage, culture and mostly the progress made in liberation movements across the continent. It is celebrated in parts of the continent and by Africans across the world.

First and foremost, we need to indicate that it would be inappropriate if we do not pause to reflect on this important month in the national calendar. The month of June is an important month in the history of the country in which we commemorate the passing away of young martyrs who gave their lives during the Soweto Uprisings on the 16th June 1976. On that fateful day many young people were killed when students protested the forced introduction of Afrikaans as a medium of instruction at schools.

The government led by the ANC continues to take forward the vision of our founding fathers and mothers, confirmed by the people of South Africa, in the Freedom Charter - a set of principles for the foundation of a new South Africa. The ANC uses the opportunity of Freedom Charter Day to be celebrated in the ensuing month, to assess progress and report back to our people how far we have come to give effect to the ideals of the Freedom Charter.

Madam Speaker

In our commitment to ensure that our municipality moves forward with the rest of South Africa, we take into cognizance the imperatives of the National Development Plan (NDP). The plan lays a foundation for long term planning in pursuit of the radical socioeconomic transformation and development of our country.

In response to that we assemble here today to define in succinct terms how we will continue to tackle the triple challenges of poverty, unemployment and inequality. EPWP, as captured in the draft budget speech, will be used amongst others as part of addressing one of these challenges.

Fellow Councillors,

Our budget modelling continues to improve with much more and notable alignment with the Integrated Development Plan (IDP), a product of public participation. This maturing budget model is not only limited to responding to one local municipal priorities, but to the district wide developmental strategic priorities underpinned by the following:

- Intensification of job creation activities through EPWP including support for the development of youth, women and people with disabilities,*
- Facilitate the development of a more efficient and competitive Infrastructure in the district,*
- Good governance and clean administration and*
- Social cohesion in pursuit of a prosperous district municipality.*

Furthermore, our budget gives expression to and supports the national outcomes as adopted by national government.

This is contained in our institutional performance management as per the Service Delivery and Budget Implementation Plan targets.

In taking our municipality forward, we remain committed in pursuing the mandate given to us by the electorate in 2016 that of:

- *Building and supporting local municipalities' economies to create more decent employment and sustainable livelihoods,*
- *Promoting more active public participation,*
- *Ensuring more effective, accountable and clean local government and*
- *Promoting safer and environmentally health society.*

Our IDP has been revised for the next five years and accordingly tailored in respect of the aspirations and needs of the people of the district. In the process of revision a need was identified to amend the previous vision to the current vision which reads as follows:

“A LEADER IN SUSTAINABLE DEVELOPMENT AND SERVICE DELIVERY TO ALL”.

Madam Speaker

As delegated by the Act certain functions were delegated to be performed by the district such as fire-fighting, municipal roads, fresh produce, abattoir, cemeteries, local tourism and municipal airport. Unfortunately some of these functions are unfunded mandates and therefore we are unable to perform. However, we intend to mobilize resources so as to execute these functions in the ensuing financial year.

LOCAL ECONOMIC DEVELOPMENT AND TOURISM

We must create opportunities for growth so that those of our people who are most vulnerable and disadvantaged can say this economy is working for them.

As mentioned in our draft budget speech that we have lined up a number of programmes to facilitate the economic growth.

Amongst others will be to expand and diversify sustainable agriculture production and food security by providing institutional support and capacity building of municipal officers. Preparations for investment summit are underway to put strategies in place and ensure that this exercise does not become a talk show but changing the economic situation in the district.

We will also facilitate cooperative enterprise development in an attempt to see many of our people engaged in doing something. We will ensure that each municipality in the district establishes one cooperative which will be baby seated by the district municipality. Workshops will also be provided to cooperatives and SMMEs to capacitate them on bidding.

Madam Speaker,

In our quest to intensify job creation we clearly understand the important role of small business and the need to support that sector. That is why amongst others, our procurement policy covers the promotion of local content in order to increase participation of smaller enterprises and co-operatives. Our intention is to realise participation in the procurement processes of local content.

As we unlock economic opportunities, it is fundamental that small business be integrated in the strategic land parcels programme whose objective is to promote investment and economic growth and finally change economic landscape.

As part of our mandate to improve tourism in the district we will develop a brochure which will package our salable products and support all Phakisa Tourism Events programme.

DISTRICT INFRASTRUCTURE

EPWP has been allocated R1.2-million for 2017/2018 financial year in an attempt to alleviate poverty and unemployment that has engulfed our communities. This money will be used to do patching up of potholes in three Local Municipalities such as Tokologo, Masilonyana and Nala.

Fourty-two (42) work opportunities will be created from this allocation.

We are also proud to announce that Rural Road Asset Management Systems (RRAMS) is still continuing to do roads assessment in all district municipalities' urban roads and the amount to the tune of R2.3-million has been set aside.

This study entails the collection of road data in line with the road infrastructure strategic framework for South Africa. The district has a responsibility to ensure that all roads in our district are accessible for transport and business purposes.

HEALTH SERVICES AND DISASTER MANAGEMENT

We need to intensify health services and ensure that fire equipment are readily available to assist where there could be eruption of fire in the district. However, we still need to mobilize funding to play this role as it is part of our powers and functions to assist the low capacity municipalities.

In terms of implementing our environmental health function, we will embark on water quality monitoring to ensure safe and healthy potable water, and also ensure that all air pollutant industries are licensed and are audited for compliance in order to meet environmental requirements.

We will also conduct quarterly waste management awareness and education campaigns to promote safe and health waste management practices.

District Health Council has been established to formalize our relationship with provincial and national departments of health with regard to health matters in the district.

EDUCATION AND YOUTH

More than ever before, our responsibility is to support academic excellence, nurture talent and in this regard the municipality is providing bursary assistance in helping deserving needy learners. The career expo will play an active role in directing our youth to choose relevant career that will shape the economy of our country.

Whilst our economy has shown resilience in the wake of recent economic difficulties, it was and still not immune from the consequences of unstable global economy. Like the country's economy, our economy is still characterized by slow economic growth. Despite our skills, job creation as well as economic empowerment initiatives, the unemployment rate remains a major concern especially on young people.

In response to that our employment, training incentive schemes, empowerment in infrastructure and extended public works programme must target youth. Working together with small and large businesses in various aspects of the economy we will radically change our economy.

Madam Speaker

THE 2017/2018 BUDGET OVERVIEW

Total Budget

*It provides for an allocation of operating budget from **R122.4-million** (2016/2017) to **R125.8- million** (2017/2018) which is an increase of **R3.5- million** (1.72%).*

Total Income

*Total income has grown from **R121.2 million** (2016/2017) to **R122.6 million** (2017/2018), an increase of **R1.3-million (1.08%)**.*

- 98% of income is coming from the national fiscus.*
- 2% is generated through interest earned on investments.*

Capital Expenditure (Capex)

*Capex increased from **R3-million** (2016/2017) to **R3.2-million** (2017/2018) which is an increase of **R236 000 (7.82%)**. Of **R3-million** allocated for 2016/2017, **R2.5-million** has been spent to date. **R500 000** will be rolled over to the next Financial Year 2017/2018.*

- **R1.6-million** is provided for replacing motor vehicles to recapitalize fleet.*
- **R500, 000** is provided for security upgrades in the institution. This will further enhance solid security fence as an ongoing project.*
- **R700, 000** is provided for purchasing of furniture and equipment based on departmental needs analysis. Some of the furniture and equipment has reached its full life span hence this new allocation.*
- An amount of **R300 000** has been set aside for Anti-virus/ computer licenses;*
- An allocation of **R150 000** is provided for mSCOA software.*

Operating Expenditure (OPEX)

Total operating expenditure has increased from R119.3-million (2016/2017) to R122.6-million (2017/2018) which is an increase of R3.3-million (2.73%).

- *LDA has been allocated R3.8-million for operations.*

Madam Speaker, to conclude I would like to take this opportunity to express my gratitude and appreciation to the Staff in my Office, Mayoral Committee Members, Councillors, the Municipal Manager, Senior Management and staff of various departments and my family, for their efforts and support.

Let me also make a special mention of our budget team led by the CFO for the great work of putting the budget together under immense pressure. We further thank our strategic stakeholders and communities for their active role during the consultation processes.

It is through our collective wisdom and unity of purpose that we can serve our communities much better.

Madam Speaker,

We therefore propose that the draft budget & IDP we table today be considered as recommended below.

Recommendations are as follows:

- *That Council considers the budget estimates for 2017/2018 Financial Year as prescribed in terms of section 28(1) & (2)(b)(d)-(g) of the MFMA, 2003 and other relevant policies.*
- *That the budget for 2017/2018 financial year be submitted to National Treasury, Provincial Treasury and CoGTA.*

- *That the IDP be considered accordingly to include non-financial information (performance measurements).*

I thank you

Ndiyabulela

Ke ya leboha

Dankie

The Executive Mayor, proposed that the following be added to the recommendations, it was thereafter resolved as set out below:

IDM MUNICIPAL COUNCIL RESOLVED: (31 May 2017)

[36.1] That Council considers the budget estimates for 2017/2018 Financial Year as prescribed in terms of section 28(1) & (2)(b)(d)-(g) of the MFMA, 2003 and other relevant policies.

[36.2] That the budget for 2017/2018 financial year be submitted to National Treasury, Provincial Treasury and CoGTA.

[36.3] That the IDP be considered accordingly to include non-financial information (performance measurements).

[36.4] That the total operating budget of R122,597,500 be approved.

[36.5] That the total capital budget of R3,250,000 be approved.

[36.6] That the total budget of R125,847,500 be approved.

[36.7] That the total income budget of R122,597,500 be approved.

[36.8] That the Municipal Council adopt the undermentioned budget related policies for the 2017/2018 Financial Year:

Budget Policy, Cash Management and Investment Policy, Credit Control and Debt Collection Policy, Supply Chain Management Policy (SCMP) and Infrastructure Procurement and Delivery Management Policy.

[36.9] That the National Treasury Circular 81 as set out in Separate Covers to this report be noted.

[36.10] That the Mayoral Committee (Mayco) recommends to the Council of Lejweleputswa District Municipality, acting in terms of Section 24 of the MFMA, approval and adoption of the MTREF (2017/2018).

Motion moved by Councillor SJ Mabitla, Seconded by Councillor ML Tlhone, to approve the MTREF Budget 2017/2018 Financial Year.

EXECUTION/ACTION:

Municipal Manager; Chief Financial Officer;
Manager Budget & Treasury

SIGNATURE: _____

MR C PETERSEN

**ACTING EXECUTIVE MANAGER: CORPORATE SERVICES
AND ADMIN LEJWELEPUTSWA DISTRICT MUNICIPALITY**

DATE: _____

PC/mtn



