

**BUDGET SPEECH BY THE EXECUTIVE MAYOR FOR THE  
FINANCIAL YEAR 2018/2019 PRESENTED AT LEJWELEPUTSWA  
DISTRICT MUNICIPALITY.**

**31 MAY 2018**

Honourable Speaker, Cllr. P Maleka

Chief Whip of the Ruling Party in Council, Cllr. P Medi

Members of the Mayoral Committee

Leadership of the Political Parties

Fellow Councillors

Distinguished Guests

Ladies and Gentlemen

Members of the Media

We are meeting a day just before the end of Africa month. We are reminded that all of us, without exception, owe our existence and our being to the continent of Africa. We are part of the children of mother Africa, children of different shades, children of different tongues, but children of mother Africa. I am one of the indigenous sons of the soil and a proud African son.

## **Madam Speaker**

***President Cyril Ramaphosa in the state of the nation said “In just over 150 days from now, the peoples of the world will unite in celebrating the 100th anniversary of the birth of Nelson Rolihlahla Mandela. It is a day on which we, as South Africans, will remember the life of one of the most remarkable leaders of this country and this continent – and indeed, the world – has known. We will recount Madiba’s long walk to freedom, his wisdom, his unfailing humility, his abiding compassion and his essential integrity. We have dedicated this year to his memory and we will devote our every action, every effort, and every utterance to the realisation of his vision of a democratic, just and equitable society.***

***Guided by his example, we will use this year to reinforce our commitment to ethical behaviour and ethical leadership. In celebrating the centenary of Nelson Mandela we are not merely honouring the past, we are building the future. We are continuing the long walk he began, to build a society in which all may be free, in which all may be equal before the law and in which all may share in the wealth of our land and have a better life.***

***We are building a country where a person’s prospects are determined by their own initiative and hard work, and not by the colour of their skin, place of birth, gender, language or income of their parents. This year, we also celebrate the centenary of another giant of our struggle, Albertina Nontsikelelo Sisulu. Through her***

*remarkable life and outstanding contribution, she defined what it means to be a freedom fighter, a leader and a diligent and disciplined servant of the people.”*

I am adamant that this being the centenary year of our legends of the liberation struggle, Tata Mandela and Mama Sisulu, nothing would rate among the best birthday gifts to these great ambassadors of human achievements than seeing Africans coming together to address their own socio-economic issues.

**Madam Speaker:**

These words should inform our resolve to work harder than before to build our economy so that it can absorb our poor people.

We are gathered here just 9 days after the release of audit report on local government by the auditor general. I stand here with my heart bleeding asking myself how history will judge this leadership when 75% of municipalities are in a state of despair. In our district for instance none of the municipalities receive clean audit. Unfortunately, all our local municipalities did not meet the requirement of **funded budgets** during this financial year 2017/2018 as reported by Provincial Treasury.

SALGA remains a critical component to enable municipalities performs better. I know some of you might begin to question the role of SALGA and

its mandate. We are not going to stand on this podium to defend the status quo but instead calls for robust engagement before voters become angry.

Electoral Independent Commission (IEC) statistics of Local Government Elections, 2016 reflects poor show up of our people in the voting polls. This low turn up is a reality and raises some concerns. This calls on us to change the way we do things.

Municipalities need to be an active player in the health matters at a local level. We need to ensure the establishment of functional local HIV/AIDS Councils, Clinic Committees and Hospital Boards. All municipal councils need to be concerned about the high levels of illnesses in their localities, as this has a direct bearing on the levels of economic activity in their municipal area. A healthy community results in sustainable income for the municipality.

**Honourable Madam Speaker,**

We continuously reflect on the National Development Plan because this document is our guiding and measuring tool. The National Development Plan aims to alleviate and reduce inequality by 2030 through drawing on the energy of our people, growing an inclusive economy, building capabilities, enhancing the capacity of the state and promoting leadership and partnership within society. Radical economic transformation is aimed at changing the economic landscape in a rapid, focused and innovative

way with maximum impact on the socio economic conditions of our people.

**Madam Speaker:**

In the light of poor socio-economic conditions, we are mindful of the fact that there are dormant cooperatives that have been established in the preceding years before this administration. However due to lack of support, coordination and monitoring this initiative did not bear fruits as expected. We have just decided to embark on a serious campaign to revisit the non-functional and establish the new cooperatives in each municipality. This is an initiative that will respond to the poverty facing our people in the district. An inclusive task team has been established to work on the modalities and correct identified weaknesses committed in the past. This steering committee will oversee this process and source funding thereafter.

Working together, we shall continue with our journey towards a better life for all by building on the great achievements we have already made. We shall continue to intensify implementation of the Back to Basics programme to ensure local government structures serve our communities better.

Guided by the principles espoused in the 2016 LOCAL GOVERNMENT ELECTIONS MANIFESTO of the ruling party, we remain resolute with the following as our priorities:

- Putting people first and engaging with communities.
- Delivering basic services in a more efficient and effective manner.
- Strengthening and improving on good governance and accountability.
- Ensuring sound financial management, thereby improving on delivering on the mandate of municipalities.
- Building capabilities by attracting a highly skilled and professional local government administration.

We will continue forging and strengthening relations with local municipalities in the district and play our role of support, coordination facilitation, and innovation as mandated by the legislation. These four strategic areas will be incorporated in the Key Performance Indicators of all departments. This will help the municipalities to address issues of service delivery and triple challenges that are facing our country as a contribution to **Thuma Mina Project**.

## **BUDGET**

### **1. OPERATING BUDGET**

The municipality expects an income of **R128 710 million** in the form of Equitable Share from National Treasury. This is the revenue that comes

from the national fiscus and proposed as an Operating budget to the value of **R 128 710 million**

## **2. OPERATING EXPENDITURE BUDGET**

The appropriation for Operational Expenditure for the 2018/2019 Financial Year amounts to **R 136 743 250.00**.

**3. CAPITAL BUDGET** R 4 745 000.00 has been set aside for Capital Budget.

## **4. TOTAL BUDGET**

Total Budget is **R 141 488 250.00** which is made up of **R136 743 250.00 (OPERATING EXPENDITURE BUDGET)** and **R4 745 000.00 (CAPITAL BUDGET)**.

4.1. **The Capital Budget** will be spent on the following items:

- Refurbishment of the building R3 000 000.00
- Additional furniture and equipment to the tune of R550 000.00
- An allocation of R450 000.00 to anti-virus software
- Communication System R345 000.00

## 4.2. Support to Local Municipalities

- Masilonyana Local Municipality will be supported through paving of road at Tshepong Location in Verkeerdevlei to the tune of R1.5million
- An amount of R1m has been set aside to fund the Paving of road at Tshwaraganang Location in Dealesville, Tokologo Local Municipality.
- With the challenge of water loss in Tswelopele Local Municipality, an amount of R1m will be appropriated to Tswelopele Local Municipality in an attempt to reduce water leakages.

## 4.2. FUNDING TO LEJWELEPUTSWA DEVELOPMENT AGENCY

- An allocation of **R5 938 824.00** has been set aside for Lejwe Le Putswa Development Agency.

## 5. Projects to be undertaken:

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|--|---------------|
| • Rural Roads & Asset Management Systems | R2 218 000.00 |
| • Bursaries                              | R1 500 000.00 |
| • Budget & other Reforms                 | R1 000 000.00 |
| • Expanded Public Works Programme        | R1 000 000.00 |
| • Professional Fees                      | R 937 869.00  |
| • Campaigns                              | R1 107 450.00 |
| • Poverty Alleviation                    | R 250 000.00  |
| • Educational Project                    | R 300 000.00  |



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| • OR Tambo Games                          | R 655 573.00 |
| • Security of the institution             | R 395 000.00 |
| • Youth Development and Co-operatives     | R 404 736.00 |
| • Experiential Training for students      | R 250 000.00 |
| • Moral Regeneration Programme            | R 225 000.00 |
| • Grant-In-Aid                            | R 189 000.00 |
| • SMME Support                            | R 250 000.00 |
| • Food & Control Programme                | R 100 000.00 |
| • Air Quality Programme                   | R 90 000.00  |
| • Water Quality Programme                 | R 100 000.00 |
| • LED Development                         | R 200 000.00 |
| • Branding of the Institution             | R 170 000.00 |
| • Mandela Day                             | R 100 000.00 |
| • Disaster Relief Fund                    | R 60 000.00  |
| • Communication (Community Radio Station) | R 300 000    |
| • Community Sport (Social Cohesion)       | R 200 000    |

In response to Tuma Mina Project, our municipality will increase its allocation towards Youth Development and Cooperatives programme by **0.5 percent** of the annual budget

This budget for 2018/2019 is funded and it complies with Section 18 of the MFMA Act, 56 of 2003. The section requires municipalities to table and adopt budgets from:

- Realistically anticipated revenues to be collected;

- Cash backed accumulated funds from previous year's surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17(2) of the Act.

We have demonstrated that the path to the attainment of better communities all remains within reach.

### **Madam Speaker**

We therefore table this budget for 2018/2019 as per recommendations outlined in the budget document:

- That the **Operating Income Budget** amounting to **R128 710 000.00** for the 2018/2019 Financial year be approved
- That the **Operating Expenditure Budget** totalling **R136 743 250.00** for the 2018/2019 Financial year be approved
- That the **Capital Budget** for the 2018/2019 Financial year to the tune of **R4 745 000.00** be approved.
- That Budget and related policies for 2018/2019 financial year be noted as per MFMA and budget regulations.

I thank you.

Ke a leboa

Ndiyabulela