

MANTSOPA LOCAL MUNICIPALITY

The budget Speech 2013/2014

Mayor

CLLR. SD NTSEPE



**MAYORAL BUDGET SPEECH TO COUNCIL SITTING OF MANTSOPA
LOCAL MUNICIPALITY ON THE ADOPTION OF THE BUDGET HELD
ON THE 30 MAY 2013**

The Speaker Councillor Mapuleng Majara;
Representatives from CoGTA;
Representatives from Provincial Treasury;
Representatives from Auditor General of South Africa;
Exco Members;
Councillors;
Municipal Manager;
Heads of Departments;
Distinguished guests;
Ward Committee Members;
Ladies and Gentlemen,

Madam Speaker allow me to express my appreciation for the opportunity to deliver this budget speech and to appreciate the presence of our eminent persons for joining us in this occasion.

I would also like to take this opportunity to congratulate you on your re-appointment as a speaker of Mantsopa Local Municipality.

Mantsopa e ne e o hopotse, we acknowledge your ability to bring order in the Mantsopa Council proceedings.

This budget speech comes at the back drop of the International Candle Lighting for HIV/AIDS victims which the Municipality hosted on the 17th to 23rd May 2013, to commemorate this special event.

This budget speech also comes at the time when the country is commemorating the 100th anniversary since the inception of the notorious 1913 Native Land Act. This Act dispossessed our people of their rightful inheritance of their land and altered tremendously the wellbeing of our people in all respects, giving rise to economic

dependence. This Act was described by President Zuma in the 2013 State of the Nation Address as “.....an Act which turned black people into wanderers, labourers and pariahs in their own land”.

Closer to our shores Madam Speaker, this notorious Act led to the forceful removal of our own people from their land in areas such as Platberg and Thaba Patchoa.

It is worth noting that the process of land redistribution in Mantsopa is well on course in both areas. At Platberg 59 sites have been allocated to the claimants. Infrastructure is in place and the contractor has been appointed by Department of Human Settlement to construct houses in those 59 sites which are 60 square meters per site.

Regarding Thaba Patchoa, the Department is in the process of appointing a Service Provider to execute Land Rights Enquiries to assist with the development of Land Management Plan for 2013/2014, and the establishment of TRANCRAA Stakeholders Forum as well as the TRANCRAA Implementers Forum.

Motsamaisi wa di Puisano, ditekanyetso kabo tsena tsa masepala wa Mantsopa di etsahala ka nako eo Masepala o itokisetsang dikgetho tsa tlatsetso lebatoweng la bone. Lebatoweng lena ke moo molekgotla wa teng a ileng a behellwa ka thoko lekgotleng la motse ke mokgatlo o moholo wa ANC.

Let me appreciate and acknowledge the re-election of our ANC Provincial Executive Committee that was recently held in Phakisa (Welkom). We, in Mantsopa, are humbled by the re-election of Comrade Ace Makgashule as the chairperson of the Province once again, as well as other members of the PEC. We have full confidence in his proven, tried and tested leadership abilities. Together with the new PEC we shall ensure to retain ward 4 with overwhelming majority win in the next coming bi-elections on the 3rd July 2013. We, therefore, encourage our people whose names are not on Voters Roll to register for participation in the bi-election.

This budget speech comes at the time when the Demarcation Board is conducting Public Participation to solicit public inputs on the proposed redetermination of Municipal boundaries.

I would like to take this opportunity to outline that the process of redetermination of boundaries lies solemnly with the Demarcation Board and the outcomes thereof will be communicated to the affected Communities by the Board.

Madam Speaker let me inform the Community of Mantsopa that the municipality now has stability in management as a result of filling all vacant Section 56 Management (Directors) positions during the months of October and December 2012 respectively. All Directors have concluded their performance agreements as required by the Municipal Systems Act. We, therefore, are looking forward to a clean Audit now that we have been able to fill these key vacant posts.

In partnership with construction CETA the Municipality will be creating a total number of 800 jobs.

The breakdown will be as follows:

- ❖ 400 unemployed youth will receive stipend.
- ❖ 400 employed youth without stipend.

We are also envisaging to incorporate ten (10) Indalo yethu members from each ward to form cooperatives to carry out environmental cleaning work.

Madam speaker, the 2013/14 budget speech is a culmination of extensive community consultation on five (5) phases of IDP and concluded with consultation on the 2013/14 draft budget. I am pleased to inform the community of Mantsopa that this year's consultation process was a success.

During the consultation process many of you made a meaningful contribution which some were an eye opener to the technical team which was assigned with the responsibility of drafting this budget.

Madam Speaker, this budget speech is in line with the Manifesto mandate that was translated into a Government Medium-Term Strategic Framework (MTSF) for 2009-2014 periods.

Madam Speaker, job creation remains one of the biggest challenges the country is faced with particularly among youth. As part of our commitment to contribute to the above mentioned and in line with creation of decent work and sustainable livelihoods, Municipality will be using its capital budget to the value of R 31 000 000 (million) to promote local employment of local labour by following labour intensive methods.

With regard to education an amount of R753 063 has been budgeted for during the 2013/14 for training and development of staff. In addition various learnerships will be implemented during this financial year to capacitate the skills level of our unemployed youth.

As we approach the end of our 2012/2013 financial year it will sound very unfair to deliberately omit the highlights of our performance. Madam Speaker, allow me to briefly inform the Community of Mantsopa on the following in as far as basic service delivery is concerned:

1. Water and Sanitation

Madam Speaker, Municipality is in the process of commissioning 4 (four) Boreholes in Manyatseng in order to increase supply of bulk portable water. This will alleviate the problem of low water pressure to high lying areas in places such as Lusaka, Thabong, Thusanong and Mandela Park.

Two (2) Boreholes have been rehabilitated in Tweespruit to supplement the already stretched limited supply of clean portable water.

Madam Speaker, Rural Development has always remained one of our key priorities. A long Standing Council commitment on providing support to our rural communities manifests itself on Service Level Agreements signed with the farm

owners of Westminster and Rivers Lodge on provision of water to Lechabile Trust, Hutu and Riverside Communities respectively. 21 unemployed farm residents in and around Hutu were employed on 3 weeks contract by the municipality for general labour.

The project on eradication of dehumanizing 2353 bucket backlog in both Boroa in Tweespruit and Dipelaneng in Hobhouse is satisfactory (although at a worrying pace).

Madam Speaker, we are pleased to announce that the project on increasing the capacity of Oxidation Ponds at Thaba Patchoa has been completed. This has been achieved with support by Thabo Mofutsanyana District Municipality.

Sewer reticulation project at Platberg has been successfully completed with the support by Thabo Mofutsanyana District Municipality. The support of the District municipality is highly appreciated in this regard.

2. Refuse collection, Waste and Environmental Management

Madam Speaker, the recently released 2011 Stats S.A. report revealed that, the Municipality continued to provide basic refuse collection service to all households within the Municipal area of jurisdiction. However, it is important to note with great concern that some of the members of the community still prefer not to avail their household waste for collection and disposal for their own cultural beliefs.

Therefore, illegal dumping remains our biggest challenge, hence our commitment for cleaning and greening and our encouragement to communities residing next to these illegal dumping sites to participate in our programme to convert these areas into community gardens.

Municipality had during the current financial year embarked on an extensive public consultation regarding the promulgation of Municipal By-laws to supplement education and awareness.

Allow me once again Madam Speaker, to proudly announce our achievement with regard to registration of the four (4) Landfill Sites that are currently operational. This is in compliance with the requirements of the National Waste Management Act.

3. Electricity

Madam Speaker, murder, robbery and in particular rape of women and children is happening at an alarming rate. Mantsopa has, with the support from Thabo Mofutsanyana District Municipality, installed 150 Solar Streetlights equally distributed to Tweespruit, Hobhouse and Thaba Patchoa.

It is important to indicate to the House that, an instruction has been issued to our employees to repair and/or remove broken, bend and skewed streetlight poles in Mantsopa.

The municipality has during the current financial year received an allocation to the amount of R8 million for upgrading of all existing streets and highmast lights as part of the national programme for energy saving (Retrofit project). The Service Provider and the project manager have already been appointed. On completion of this project, the municipality is expected to reduce spending on bulk electricity purchase from Eskom. In response to the national call that says.... "Save energy..."

With support also by the Department of Energy, we are together with Centlec busy connecting electricity to Households at Platberg.

4.Roads and Storm water Drainage Maintenance

Madam Speaker, despite the challenges we are facing with regard to the state of our roads/streets, municipality is however pleased to inform the house that a substantial number of roads and streets have been maintained and rehabilitated.

Important to note Madam Speaker, is that all this has been done internally relying on limited resources and capacity. A total number of 54 unemployed people in Ladybrand and Tweespruit are appointed on contract for these projects.

Financial viability and management:

Madam Speaker, Financial viability and management is one of our key performance areas of local government as in line with the five year local government strategic agenda.

Therefore, this budget is a culmination of a budget reform process as in line with MFMA circular no: 65 and 67.

Let me take this opportunity to inform the community about the debt collection programme the municipality shall be embarking on. The programme shall be known as “OPERATION PATALA” and it will take place as from the 23rd June 2013.

Madam Speaker, my office will be working on a close collaboration with your office in our endeavour to encourage the indigent households of our Municipality to register as indigent once again in the new financial year.

The Municipality have also decided to put aside One Million Rand (R 1m) for intervention in deserving cases in housing.

MOTSAMAISI WA DIPUISANO, HO SA LE HO NGATA HO NTSENG HO ETSWA, LE HO SA NTSANENG HO TLA ETSWA, KA HA THOTA E SA NAMME.

Ha e ke e nye Bolokwe kaofela, etswe Mosotho oa nepa ha a re “Ngwana-kgwale senna o ipolela, Motho o motle ha a bolelwa ke ba bang.”

Madam Speaker now is the time for the actual business of the day. Please allow me to take this opportunity to present the summary of 2013/2014 budget:

2013/2014 budget summary:

Summary of Revenue and Expenditure				
Revenue	2012/13	2013/14	2014/15	2015/16
	'000	'000	'000	'000
Grants and Subsidies	R106 439	R101 830	R 92 010	R 96 292
Own income	R123 717	R137 612	R166 587	R182 993
Total Revenue	R230 156	R239 442	R258 597	R279 285
Expenditure				
Operating Expenditure	R 193 595	R207 804	R224 429	R242 383
Capital Expenditure	R 36 531	R 31 638	R 34 169	R 36 902
Total Expenditure	R230 126	R239 442	R258 598	R279 285
Surplus	R 30	R 0	(R 1)	R 0

Detailed Analysis of Grants and Subsidies Budget				
	2012/13 '000	2013/14 '000	2014/15 '000	2015/16 '000
Equitable share	R66 714	R67 071	R67 801	R68 729
MIG	R27 625	R26 227	R21 578	R19 946
MSIG	R800	R890	R934	R967
FMG	R1 500	R1 550	R1 600	R1 560
Nat Electrification grant	R800	R92	R97	R5000
Electrification demand grant	R8 000	R5 000	R0	R0
Expanded public works	R1 000	R1 000	R0	R0
Total	R106 439	R101 830	R92 010	R96 292

Detailed Analysis of own revenue budget				
	2012/13 '000	2013/14 '000	2014/15 '000	2015/16 '000
Property rates	R11 260	R15 173	R16 386	R17 697
Service charges	R80 992	R97 827	R105 654	R114 106
Rent	R1 024	R1 064	R1 149	R1 241
Fines	R115	R115	R130	R140
Other income	R30 326	R23 433	R43 268	R49 809
Total	R123 717	R137 612	R166 587	R182 993

Detailed Analysis of grants and subsidies budget				
	2012/13 '000	2013/14 '000	2014/15 '000	2015/16 '000
Salaries	R59 564	R68 522	R74 004	R79 924
General Expenses	R69 166	R64 636	R69 839	R75 466
Bulk Purchases	R26 822	R31 126	R33 616	R36 306
Repairs and Maintenance	R7 460	R10 227	R11 045	R11 929
Capital Charges	R861	R792	R855	R923
Depreciation	R13 999	R13 210	R4 267	R21 727
Debt Impairment	R15 123	R18 628	R20 118	R21 727
Leave Provision	R600	R664	R685	R700
Total	R193 595	R207 804	R224 429	R242 383

Detailed Analysis of Capital Budget			
	2012/13 '000	2013/14 '000	2014/15 '000
Bucket Eradication (Tweespruit)	R9 850	R8 572	R1 380
Bucket Eradication (Hobhouse)	R10 948	R12 410	R5 639
Water Purification	R2 356	-	-
Roads and Storm water	R2 383	R0	R8 706
Arthur Pitso Stadium (Upgrade)	R700	R3 934	R4 774
Income	R1 487	R1 630	R13 573
Electrical Grant	R8 800	R5 092	R97
Total	R36 531	R31 638	R34 169

Major Tariffs			
Rates and Taxes	2012/2013	2013/2014	Decrease
Tariff	0.013500	0.0099300	-31.11%
Households (50% disc)	0.006700	0.004650	-30.60%
Business (0% disc)	0.013500	0.009300	-31.11%
Industrial (0% disc)	0.013500	0.009300	-31.11%
Government (0% disc)	0.009450	0.009300	-1.59%
Farm land (91% disc)	0.001190	0.00830	- 30.25%

Very Important: First R75 000 on all non-business properties shall be exempted

Major Tariffs Continued			
Electricity			
Households	2012/2013	2013/2014	Decrease
0-50kWh Block 1	R0.660	R0.70	6.06%
51-350kWh Block 2	R0.780	R0.83	6.03%
351-600kWh Block 3	R1.050	R1.12	6.19%
600 and above Block 4	R1.230	R1.31	6.10%
Business/School/Guesthouse	R1.260	R1.34	6.03%
Bulk Users:			
KvA	R90.000	R95.50	6.11%
KWh	R0.510	R0.55	6.86%

Major Tariffs Continued			
Water			
	2012/2013	2013/2014	Decrease
Households			
Basic Charges	R78.00	R83.50	7.05%
Households usage			
7-20kl	R5.25	R5.62	7.05%
21-40kl	R6.40	R6.85	7.03%
41>kl	R7.70	R8.25	7.14%
Business			
Business charges	R45.00	R48.50	7.78%
Business usage p/kl	R5.70	R6.10	7.02%
Bulk p/kl	R5.10	R5.50	7.84%

Major Tariffs Continued			
Sewerage (Per month)			
	2012/2013	2013/2014	Decrease
Households	R125.00	R134.00	7.20%
Business	R205.00	R220.00	7.32%
Refuse Removal (Per month)			
Households	R65.00	R70.00	7.69%
Business	R260.00	R280.00	7.69%

In conclusion I would like to thank everyone who contributed in the preparation of this budget.

Starting with the community of Mantsopa, of which without their meaningful participation this process would have been impossible. Fellow EXCO members, members of the standing Committee Governance and Administration, fellow Councillors, the Municipal Manager, the CFO and Budget Team; Section 56 Managers, Communications Unit, IDP and PMS office, and all employees involved in the process, and Lastly most of all I would like to appreciate the support I receive from my wife, children and my entire family for allowing me to serve the community of Mantsopa.

Madam Speaker, I therefore present this budget before the council for consideration and approval.

“SERVING THE COMMUNITY WITH EXCELLENCE”

“TOGETHER WE CAN DO MORE”

Thank You Very Much