

**BUDGET SPEECH DELIVERED BY HER WORSHIP;  
MAYOR OF LEPELLE-NKUMPI LOCAL MUNICIPALITY;  
CLLR IVY MODILE PHAAHLA; AT LESETSI COMMUNITY  
HALL; WHILE TABLING THE 2013/2014 MTREF  
BUDGET.**

30 MAY 2013; LESETSI COMMUNITY HALL

Honourable Speaker, Mme Nakedi Sibanda-Kekana

Our Chief Whip, Ntate Veteran Molaba

District Municipality Representatives

Colleagues in the Executive Committee

Our Traditional leaders

Fellow Councillors

Acting Municipal Manager, Mme Rosina Ngovheni and Executive  
Managers of our Municipality

Members of Ward Committees

Representatives of Business, Faith-Based Organizations and Civil  
Society Organizations

Comrades, Leadership of the ANC and other Political Organizations

Women, Youth, People living with disabilities and community leaders  
present

Friends, Distinguished Guests, Comrades,

Ladies and Gentlemen

## GOOD MORNING

Amilcar Cabral, one of the greatest revolutionary and freedom fighters says in his book, **MATERIALIST THEORY AND PRACTICE OF CULTURE AND ETHNICITY**, “Always bear in mind that people are not fighting for ideas, for things in anyone’s head, they are fighting to win material benefits, to live better and in peace, to see their lives go forward, to guarantee the future of their children.

Two years ago when we were inaugurated in this august house at civic hall, we set forth on a journey to change the course of Lepelle-Nkumpi for the better, to keep the dream for a better life alive for everyone willing to work for it, to develop our municipality and her people to be the leading force in social, economic and political arenas. Moreover, to unite our community to be a force to reckoned with.

Together we vowed to turn our municipality around, we proclaimed a strategy to meet our challenges and protect our values, opportunities for all, responsibility from all, Lepelle-Nkumpi for all.

Our communities understood then as they understand now that the challenges we face are not **ANC** or **DA**. They are Lepelle-Nkumpi challenges and they need the people of Lepelle-Nkumpi to face and resolve.

I would like to thank the party I belong to, the **African National Congress**, for continuously providing me with political guidance and entrusting me with positions of responsibility in various sectors of the leadership spectrum in our society which have helped to hone my leadership skills and made it possible for me to ascend to this important and challenging position of responsibility I occupy today.

It is also fitting Honourable Speaker, to thank all those who sent us congratulatory messages and expressed their wish for us to succeed. We once more promise to do our best not to fail you!

Ke rata go leboga Modimo o mogolo, wa bo ntate wa rena, yo a tshephegang, wa bo Jakobo le Abraham. Modimo yo a nago le rena mo tseleng e thata ye re sepelang ya go kaonafatsa maphelo a batho ba gabo rena. Ke leboge gore lehono re be re fihle mo re lego gona.

I must also thank God for giving me the strength to continue discharging my responsibilities. There comes a time in life when people look into each other's eyes and begin to know who you are. I am a type of person who believes in collective leadership, listening, understanding, respect and honour.

We are gathered in this revered house today, to table the 2013/2014 Annual Budget in compliance with the requirements of the Municipal Finance Management Act, Act 56 of 2003.

Honourable Speaker, the budget we table before this house today, narrates a story on how we have fared since the beginning of the 2011-2016 Political Term of office, and how we are intending to consolidate our efforts in funding our priorities during the coming financial year which will culminate into 2014 National General Elections.

This budget, honourable members, tells a story of difficult and often unpopular choices and decisions we have made during the "hours of doubting, and when the heavy veil of words were torn in sobs". Those difficult choices and decisions have stabilised our finances to the point where, to paraphrase David Diop, in the poem titled **The Hours** from the book **Hammer Blows**, the seed is more fertile and the equilibrium is born".

Honourable Speaker, consistent with the undertakings we made during our inauguration, it really and honestly gives me pleasure to pronounce that we have indeed survived the difficult storms as a municipality and as servants of our people.

I must mention, Honourable Speaker that as a municipality we must collectively give attention to the following challenges:

- Lack of effective coordination of service implementation;
- Revenue collection- Very critical;
- Repairs and Maintenance;
- High level of poverty and unemployment;
- Monitoring and evaluation system;
- Political will and negative influence on council activities;
- Allegation of fraud and corruption;
- Continuous negative outcomes of the Auditor General reports;
- Financial Management;
- Poor public relations and
- High capital spending pressures to eradicate infrastructure backlogs.

Our challenges are not limited to the above, but these are key ones we need to tackle with no strength spared. With the recent appointments of Chief Financial Officer, Mme Rosina Ngovheni and Executive Manager Corporate Services, Mme Maggy Matshivha, we shall overcome.

We only have to know why we are here.

We are optimistic honourable members and have improvised solutions to survive the economic hardships in order to continue with the provision of quality services to our communities. It is essential for the municipality to effect systems that will focus on:

- Ensuring implementation of fraud and corruption policies;
- Vigorous implementation of debt collection policy and continuous monitoring thereof;
- Efficient credit control; Implementation of revised supply chain management policy to address the loopholes raised by the Auditor General;
- Ensure proper contract management.

All of these coupled with financial discipline are the pillars that are required for the municipality's financial viability and sustainability.

We are an aspirant Municipality, and as such we need to sustain growth and minimize the risk of undermining our success as a result of under-investment in the much needed infrastructure.

The **2013/2014** Medium Term Revenue and Expenditure Framework (**MTREF**) Budget, Honourable Speaker, maps out the road to the successful implementation of projects and programmes through sound financial management, which is crucial for ensuring the financial sustainability of the municipality. We are obliged to deliver services to our people on a financially sustainable basis, and this, we can only achieve by developing and implementing intervention strategies that enhance continuous improvement in governance and accountability.

For this coming financial year, tough decisions will be taken to ensure that our actions are geared towards improving the lives of many of our poor people. The task ahead is:

- To re-establish ourselves as one of the leading municipality;
- To work with increased determination to tackle the challenges facing our municipality;

- To implement projects and programmes that are budgeted for and linked to our IDP;
- To disengage from activities that are not our core business;
- To monitor and evaluate service delivery progress;
- To measure and evaluate performance; and
- To make sure that service delivery is prioritized and not compromised.

## **DEVELOPMENTAL OBJECTIVES FOR THE POLITICAL TERM**

We must not forget that our developmental objectives for the current political term are geared towards the creation of a conducive working environment, levelling the playing fields so that, as a Municipal Council, we are able to achieve the following:

- Infrastructure provision, maintenance and upgrade;
- Clean Audit;
- Support and strengthen local economic development, fight poverty and underdevelopment;
- Streamlining youth programmes and skills development in order to fight crime and its manifestation at all levels;
- Empower and capacitate ward committees and other structures to ensure their optimum functionality;
- Enhance public participation and public relations;
- Strengthen decentralization of services to all areas within the municipality; and
- Strengthen partnership and participation with other government spheres, private sector and all stakeholders in developing and improving the service delivery.

Honourable Speaker, the general outcry from our communities with regard to our budget is the following:

- Is our budget addressing properly the needs of our previously disadvantaged?
- Are all women given enough opportunities or will continue to be overlooked due to gender prejudice?

Let us not wait for our communities to complain and react later.

Let us now embrace a more and confident and positive developmental trajectory. The developmental trajectory that both the Honourable President in his State of the Nation Address and the Honourable Premier in his State of the Province Address presented as espoused in the National Development Plan. We should spend in a way that makes a difference and in a way that impacts positively in our people's lives.

Honourable Speaker, we must open our doors of equal access to our communities and win their trust and hope.

Our budget must invite Private Sector to join us in investing in the necessary infrastructure provision to meet the basic needs and economic growth of our municipality. I must remind everybody in this house Honourable Speaker, that as political parties, we represent different constituencies, each one is entitled as any other to enjoy the benefits that will derive from the better society we seek to build with this year's budget.

Let us accept the necessity for change, activate transformation of our society, and avoid the use of the levers of power in our hands to block the process of change.

Honourable Speaker, we cannot ignore the controversy of some of the contracts we have signed for provision of services, of which some duplicate and continue to have an effect on our budget to date and will still continue to be a huge burden until **2014**.

We must not allow the phenomenon of uncertainty to be imposed on our thinking as a scare crow that frightens us away from the process of changing the way things were done. **CHANGE MUST COME AND CHANGE MUST BE NOW.**

Honourable Speaker, not all is doom and gloom as we also remember the jubilation we felt when the oldest political party in the continent and the current ruling party reached its Centenary last year.

This **2013/2014** budget is also presented when the world around us seems to be engulfed in turmoil. It is a time of uncertainty in which our government faces enormous challenges in the economic and social fronts. However, if there is any single example of sound planning and effective management of the economy overcoming diversity, South Africa's performance has been sterling as the country still recorded positive **GDP** growth of **2,7%**.

### **THE 2013/2014 BUDGET**

For the **2013/2014 MTREF**, a considerable effort has been put to align our strategic objectives with the **Budget and IDP**.

Honourable Speaker, the **2013/2014** budget amounts to **R290,9** million which is an increase of **27%** compared to the previous budget. The budget comprises of **R108,03** million **Capital** and **R182,84** million **Operating** components.

This is a cash backed budget and it means putting strict measures in place in order to maximize our revenue source. It is essential for this municipality to enhance mechanisms that assist us to compel our people to do the right thing- **PAY FOR MUNICIPAL SERVICES**.

### **TARRIFS**

It is envisaged that the proposed tariff increases will allow the municipality to generate sufficient revenue in order to sustain the municipality's operations for the **2013/2014 MTREF**, taking into account the economic situation and affordability levels of our people.

Therefore the tariffs for **2013/2014** are proposed as follows:

1. Refuse **5%** increase
2. Property rates **5%** increase

Other tariffs vary and can be perused in the Budget Tariff and Policy Document.

## **OPERATING EXPENDITURE**

An amount of **R182,84 million** for **2013/2014** has been budgeted for operating expenditure of which salaries, allowances and benefits equals to **R62,44 million** of the expenditure budget.

The appointment of CFO and Executive Manager Corporate Services is confirmation that this Council is making positive strides and moving towards ensuring that the operating expenditure per directorate will be managed and committed to relevant programmes. The appointment of Executive Managers for Technical Services and LED and Planning are at advanced stage. The task at hand for these senior managers is to infuse accountability and transparency in departmental budget spending and reporting as well as curbing undesirable financial management practices.

## **CAPITAL EXPENDITURE**

The capital expenditure budget amounts to **R108,02 million** of which **R197,14 million** is funded by the Municipal Infrastructure Grant and **R93,73 million** by own funding.

## **POSITIVE HIGHLIGHTS**

Honourable Speaker, there are many big and important challenges facing our municipality. However, there are highlights of what we have been able to achieve and reflects that we may not be where we want to be, but we are not where we were before. To mention but a few:

### **ELECTRICITY PROJECTS**

During the financial year **2012/2013**, the municipality was able to complete household connections through our equitable shares. **Eskom** and **DME** were also able to connect households in the same year. Benefitted areas are:

- ✓ Matinkane;
- ✓ Magatle;
- ✓ Makotse 2;
- ✓ Mahlaokeng;
- ✓ Success;
- ✓ Zone F(RDP);
- ✓ Magatle 2;
- ✓ Mashite-Maake;
- ✓ Staanplaas;
- ✓ Ga-Ledwaba and
- ✓ Malatane.

The planned households connection is budgeted at **R20,4 million** for financial year **2013/2014**.

### **SOCIAL AND INSTITUTIONAL PROJECTS**

- ✓ Moletlane community hall completed;
- ✓ Ga-Seloane community hall under construction;
- ✓ Rafiri community hall under construction;

- ✓ Khureng Disability Centre completed; and
- ✓ Mogoto community hall also under construction.

Other projects like refurbishment of Lebowakgomo Sports Complex, Revitalization of municipal buildings (cultural centre and civic hall) and development of new Lebowakgomo cemetery are at design stage.

An amount of **R6 million** has been put aside for the refurbishment of Lebowakgomo Sports Complex.

Honourable Speaker, let us commend and appreciate efforts made by this municipality to champion special programs of the disabled, youth and women. We are recognised as one of the municipality who take issues of mainstreaming very serious, in particular disability issues.

In that regard we have budgeted **R276 000** for these special programs, including children and senior citizens programs.

## **JOB CREATION**

Based on the target of the South African Government of reducing unemployment from 25% to 15% by creating 5 million jobs in the next 10 years, our routine maintenance activities was labour intensive orientated. In partnership with COGHSTA, we have employed more than 1000 people through Community Works Programme (CWP).

We have also created jobs through daily litter picking at strategic points in order to improve the general cleanliness of our municipality. In line with principle of Expanded Public Works Programme, the project identified unemployed community members closest to the area for recruitment and placement.

## LOCAL ECONOMIC DEVELOPMENT

The LED strategy will be presented to Council for adoption with main focus being Agriculture, Tourism and Mining.

## ROADS AND STORMWATER

We have managed to complete the following projects for the financial year **2012/2013**:

- ✓ Tarring of Lebowakgomo Unit A Phase 1;
- ✓ Tarring of Magatle street and storm water;
- ✓ Upgrading of Lebowakgomo Unit B streets and storm water;
- ✓ Tarring of Mathibela streets and storm water;
- ✓ Tarring of Mamaolo streets and storm water;
- ✓ Re-gravelling of streets within our municipality;
- ✓ Tarring of Broiler farm streets and storm water;
- ✓ Resurfacing of Thabamooopo road; and
- ✓ Paving road at Traffic Department;

Honourable Speaker, the rehabilitation of surfaced streets and gravel roads in our township and villages cannot be overemphasised because it is critical in ensuring a conducive environment for business development, our road users and pedestrians.

During the current financial year, we have put aside **R38,5 million** for roads and storm water.

Honourable Speaker, tse dingwe tsa diphihlelelo tsa rena ke tse di latelago:

- ✓ Malapa a seswai go a lesome a nwa meetse;

- ✓ Metse ka moka e na le mafarahlahla a mohlagase, gomme re na le malapa a ka tlase ga **5000** ao a sa nyakago go abelwa mohlagase;
- ✓ Bontshi ba malapa a na le dintlwana tsa boithomelo tseo ba ikagetsego tsona ka thuso ya mmasepala.

Le ge go le bjalo Honourable Speaker, re san a le dihlotlo tseo e lego gore ka tshomisano le ditshaba tsa rena le bat sea karolo ka moka re ka di fenya. Tse dingwe tsa dihlotlo ke gore:

Hlaelelo ya ditirelo e sa le e kgolo ditshabeng tsa rena le ge go na le tswelopele ya go bonagala.

## **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

Once again we are proud to announce that all our ward committees are functional and have regular meetings. We need to ensure that these committees remain active agents of change and service delivery. We shall continue to provide capacity building for the ward committees. They need to monitor the implementation of the IDP and Budget, and advise the Municipality on how to advance service delivery at all costs.

We are also proud to announce that our Municipal Public Accounts Committee is alive and kicking.

## **CONCLUSION**

Having fully taken up as collective leadership, we can state without any fear of contradiction, that as servants of the people of Lepelle-Nkumpi, the journey that is aimed at bringing about the much needed social, economic and political developments in our municipality continues. Yes indeed Aluta Continua.

For all of the above to be realized, Honourable Speaker, the leadership in this House today, in Civil Society, Labour, Business and beyond must set the tone for everyone else to follow and ensure that every decision made must be consistent with and never deviate from our municipality on the path to a brighter tomorrow for all people.

We are overwhelmed by the positive contributions from the community during our interactions and budget consultation meetings though the attendance to some of the budget meetings was not satisfying.

We therefore, once more, pledge our competence and knowledge to this municipality, and will strive to implement and develop the ideal freedom to ensure that adequate services are delivered to our people irrespective of their economic, political or social status.

As I conclude, allow me to congratulate Cde Zebulon Mphofela for being given the responsibility of coordinating the activities of the ANC in Peter Mokaba Region, our Chief Whip, Veteran Molaba and Cde Mokgadi Lekoana from our Municipality for being part of this collective Regional Task Team of the ruling party in this region

My appreciation goes to all the officials who participated in the budgeting process and the compilation of the budget. To fellow councillors, let us not shy away from our oversight role so that each one of us, who is bestowed with a financial responsibility in this institution, is prevented from “taking chances”, spending money irregularly and on nice to haves but direct funds where they are needed most, to the provision of quality services.

One of our leaders in this country once said: “When you lead one day in this country, do not look at the colour of the skin, but look at the

community you serve and treat them equal. There will be those who will respect you and respect your potential. Ignore those who will not, for they do not add value into your life”.

“If you get into a position of leadership, give your commitment without any reservations and if you cannot, get out and relinquish such position, for you will never lead properly”.

We must lead by these words of wisdom. Motho ke Motho ka Batho.

Last but not least, my Comrades and Colleagues; Members of Executive Committee and fellow Councillors; I thank you all for sound advices and guidance. Together we can do much more.

Honourable Speaker, allow me this opportunity to table the **2013/2014 IDP/Budget**, together with the following policies:

- Budget Policy
- Investment and Cash Management Policy
- Property Rates Policy
- Credit Control, Debt Collection and Customer Care
- Debt Collection Procedures
- Asset Management Policy
- Tariff Policy and Tariff Structure
- Supply Chain Management Policy
- Indigent Policy

For adoption.

Let us go and work.

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**PHAAHLA V.M**

**MAYOR**

