

**LEJWELEPUTSWA DISTRICT MUNICIPALITY**

**BUDGET SPEECH 2008/2009**

**PRESENTED BY THE EXECUTIVE MAYOR CLLR. S NGANGELIZWE,  
LEJWELEPUTSWA DISTRICT MUNICIPALITY, 29 MAY 2008**

**Speaker:** Councilor Thanduxolo Khalipha

**Chief Whip of Council:** Councilor Mabitle

Members of Mayoral Committee

Leaders of Political Parties

Honorable Councillors of the District

Municipal Manager: and Senior Management Team

Media, Business, and Community Leaders

Distinguished guests

People of Lejweleputswa

My fellow Councillors, allow me to refer you to the fundamental principles of the National Democratic Revolution and the transformation agenda of our country. The budget we are tabling today is informed by a guiding document, **Freedom Charter**, a product of a meeting assembled in Kliptown, 1955. The broader consultations and public participations during our budget processes and IDP reviews are in line with the founding principle of the Freedom Charter “**People shall Govern**”.

Speaker, over the past few weeks, we have witnessed unprecedented violent attacks in some parts of our country. Within a matter of weeks, these attacks had become a serious matter of concern.

Questions are beginning to arise as to the extent, to which these attacks can be characterized as spontaneous occurrences. Increasingly, sinister motives are being ascribed to these incidents. We are therefore appealing to the people of our

district not to fall in a trap of these forces. We are saying let these forces be exposed and be dealt with accordingly. We as people of South Africa condemn this violence in the strongest possible terms.

Speaker, this Budget is delivered in a period of tight financial conditions and global uncertainties. It is also presented against the background of developmental local government which we want to see ourselves being part of. It is also presented against the backdrop of the proposed electricity increases from Eskom and the rising rate of inflation. However all these conditions have been considered.

At the outset, it should be noted, Speaker, that this Budget comes at the end of a lengthy process of participation. It is now a final product of consultations with communities and stakeholders across the length and breadth of our district. We sought to reach out to all the stakeholders in the district and indeed important inputs were obtained in the process.

However, it should be noted once more that some of the inputs could not find space in the budget we are tabling today due to resource limitations. This is particularly important as we all know that one of the basic lessons of economics is that there are never enough resources to satisfy all the needs.

But we will continue to accommodate them in phases and facilitate efficient allocation of resources in support of the political imperatives and our strategic priorities. It is critical for us to develop adequate responses to the challenges posed by poverty and unemployment.

In compliance with the Municipal Systems Act and Municipal Finance Management Act, our budget is aligned directly to the IDP which means that the

Council's long term vision is supported by specific action plans and objectives which have been incorporated into both the Capital and Operating Budgets.

So, in order to make the IDP more effective it is imperative that both the operating and capital budget are aligned to the programmes of the IDP of which that has been done

## **HIGHLIGHTS ON THE ACHIEVEMENTS**

### **FINANCE TECHNICAL SUPPORT**

This department was created to assist and support municipalities with finance related capacity difficulties. It has assisted Masilonyana Municipality in doing away with backlog bank reconciliations for the entire 2006/2007 financial year and is currently engaged in working away backlog bank reconciliations for the period 01/07/2007 to date. This will ultimately lead to adherence to the successful compilation of financial statements timely in terms of the MFMA.

At local level, audits were done on LDM expenditure to establish and correct matters which led to irregular expenditure. Supply Chain Management staff were assisted and supported to implement and execute the supply chain management policy correctly and significant improvement is expected in the 2007/2008 financial year.

On asset management, the department is finished with the bar-coding of movable assets and is in a process of finalizing scanning of all assets to the financial system.

In line with the spirit of cooperative governance this department will continue providing technical assistance including analyzing, monitoring, evaluating and advising municipalities to enable good financial planning and management. Assisting municipalities with the implementation of the Municipal Finance Management Act (MFMA)

**R 1.5m has been set aside for this purpose.**

## **FINANCIAL SERVICES**

The department managed to produce financial statements in line with the time frames set by the Municipal Finance Management Act. It has developed financial policies to promote and achieve operational efficiency, monitoring, and implementing efficient internal control systems and processes.

To continue embarking on those functions an amount of **R 6.9m** has been appropriated.

## **LOCAL ECONOMIC DEVELOPMENT AND PLANNING**

Lejweleputswa is aspiring to be the entertainment hub for the entire Free State hence Phakisa has been revived with the new board and Senior Management.

The District Municipality has partnered with Phakisa for Sports Tourism i.e. Motor Racing Sport that took place recently and had some economic spin offs particularly in Welkom (Matjhabeng). Tourist from other provinces and countries were amongst spectators and participants of the events.

The District also supported Air Carnival Show which was also a success and is supposed to be an annual event which will grow tourism towards 2010 and beyond.

The district has assisted its Local Municipality with the compilation of the Land Audit which will indicate to Local Municipalities which Land and Assets belongs to them in their area of jurisdictions, so that they can grow and develop further.

District is also reviewing Spatial Development Framework which will also show and advise municipalities and investors in terms of where is development going in the district and which area has potential for Agriculture, Industrial Development and Local Economic Development in general.

Lejweleputswa has also identified lack of knowledge and information in our SMME especially women and youth as a gap. This was addressed in terms of training, women and youth and existing SMME's on co-operative development, tendering procedures, business management, company registration and Business Planning. The training took place in Tokologo, Masilonyana, Tswelopele, Matjhabeng and Nala will follow soon.

Lejweleputswa has developed Growth and Development Strategy, Tourism Brochures into a readable magazine. Tourism Marketing and Implementation Plan has been developed to address the issue of tourist attraction in the district for 2010 and beyond.

Rural development Strategy is also being developed and will be finalized by end June. The strategy is aiming at assisting farming communities also to enjoy the benefits of the freedom that is, by receiving or having access to basic services like water, sanitation, electricity and better access roads.

### **For 2008/09 Financial year**

LED will focus more on assisting women and youth to develop business plan for sustainable project.

- Poultry or broiler project will be funded in Tokologo.
- Women Bakery project will be funded in Masilonyana.
- Youth livestock farming projects through commonages will also be funded
- Winnie Mandela Museum will also be finalized within 2008/09 and Tourism month will be celebrated in the area.
- Assist youth in the shoe manufacturing project around Matjhabeng
- Develop a business Plan for Brick Plant and fund the project
- Partner with Phakisa for National Motor Racing event for Sport Tourism development.

**R 4,4m has been set aside for LED and R 1.19m for tourism**

### **INFRASTRUCTURE DEVELOPMENT AND TECHNICAL SERVICES**

The national target to eradicate all buckets in formalized areas was the end of December 2007, but due to the high rainfall during October and November 2007, a lack of additional funding and geological conditions (hard rock), the date was extended to March 2008 as indicated with the approval of the national department.

However, we are confident that the remaining buckets will be eradicated by the end of June 2008.

## TECHNICAL SERVICES PLAN FOR 2008/09

### ➤ TOKOLOGO WATER PROJECT

Tokologo has been experiencing water shortage for many years. The District has undertaken to assist in this regard. The Department of Local Government and Housing has committed R 50m for bulk infrastructure in this financial year and the process of the implementation of the project has started.

Beatrix Gold Mine also committed R600 000, 00 to the District Municipality for purposes of water project in Tokologo Municipality.

There is also an amount of R751 883 under DWAF reserves which will also be utilized for this project.

### SANITATION IN CLINICS AND SCHOOLS

An amount of R 4,8m has been set aside for sanitation in schools and clinics in the district. Upgrading of cemeteries and upgrading of roads and storm water.

This department will also be engaged in the construction of a new access road to the Phumulani Cemetery in Thabong, Welkom and an amount of R1.7m is allocated for this purpose.

**R 2.5m has been appropriated for this department.**

## **CORPORATE SERVICES**

The Department has embarked on Learnership programme which employed 18 learners for a year

Renovations and maintenance of building at the old Chamber and paving outside the new building have been done.

Workshops were held on the following policies: Code of conduct and sexual harassment policy. Assessment of all employees (Skills audit and organizational training need analysis) was done.

Installation of the clocking and security system has been completed.

## **PLAN FOR THE NEXT FINANCIAL YEAR**

- ❖ Building of the Archives
- ❖ Fixing of the roof in the old building
- ❖ Extension of the Mayoral Building
- ❖ Painting of the offices
- ❖ Workshops Planned: Employee Wellness Programme, HIV and Aids Policy, Pauper's Policy, Performance Management,

**R 11.02m has been budgeted for in the next financial year 2008/2009**

## **SOCIAL SERVICES**



The objective of this component is to promote social development in the communities. R 2.4m has been budgeted for.

### **1. Disaster Management**

This component is aiming at coordinating disaster management programme in the district as part of the powers and functions of the district. Programmes to help coordinate this disaster management are as follows:

- Disaster awareness campaigns which will help sensitize public about the risks that could occur.
- Purchase of reactive fire fighting
- Social crime prevention program

R 2.2m has been set aside for these programs.

### **2. Environmental Health**

The objective for this component is to coordinate environmental health services. Key programmes are geared towards promoting environmental awareness, Pest control especially in the townships where rodent control is much needed. Water Quality and Waste Management programme.

R 7.7m has been appropriated for these programs including operational costs.

### **3. Fire Service**

The objective of this provision is the establishment of the first phase of an operational fire unit for the areas of Masilonyana and Tswelopele as per functions allocated to Lejweleputswa District Municipality.

R 2m has been budgeted for the service.

## **SPECIAL PROGRAMMES**

Bursary scheme from the Executive Mayor's Office has been able to assist twelve deserving students to further their studies at different tertiary institutions in the country. In the next financial year we intend to increase the number to twenty students.

In line with the principle of sport development and enhancing young talent in sport, we hosted a successful provincial tournament named after OR Tambo, **OR Tambo Games**. It is interesting to announce that this tournament will be hosted in the district every year as agreed with the Provincial Department of Sports and Culture.

## **TRANSFERS TO AND CAPITAL CHARGES PAID ON BEHALF OF LOCAL MUNICIPLAITIES AMOUNT TO R 17 450 532**

Matjhabeng Local Municipality: R4 250 410 for capital charges on loans taken up.

Matjhabeng Roads to Cemetery: R 1.7m

Tswelopele Local Municipality: R50.000 for capital charges on loan.

Masilonyana Local Municipality: R 422 340 for capital charges on loan.

Masilonyana Local Municipality: Community Hall R1m.

Nala Local municipality: R 2.8m for capital charges on loan.

Tokologo: R114 740 for capital charges on loan.

Tokologo: Water Project-R 751 883

**Projects to be implemented by Lejweleputswa District Municipality are:**

- Upgrading of cemeteries R 2m
- Upgrading of roads R 997 047
- Eradication of backlogs in water and sanitation at schools and clinics R4. 8m
- Plant and gravel roads - R 14m
- Upgrading of Airport - R 1m

**GRANTS**

R2m has been set aside for Lejweleputswa Development Agency.

**TOTAL IDP LINKED PROJECTS**

The total IDP linked projects amount to R 41.9million.

**Other major projects included under this heading are:**

- Bursaries R 400 000
- Campaigns R 500 000
- Poverty alleviation R 600 000
- OR Tambo Games R 500 000
- Development of strategic policies R 395 000
- Financial Reforms R 500 000
- LED development R 787 500
- Capacity development programmes R 1 000 000

- Environmental development programme (clean-up campaign, rodent control) R 1m.

## **CAPITAL OUTLAY**

Own capital outlay programmes received R 11.4m and the major part of this allocation being for the establishment of a disaster management control centre to the tune of R 8.85m.

In line with the powers and functions that have been assigned to the district by the MEC for Local Government and Housing, **R 15m from the Reserves** is earmarked for the following projects:

- Establishment of a plant for equipment to upgrade gravel roads
- Upgrading of Airport
- Solid Waste

I hope the Provincial and National Government will consider allocating more resources as per added powers and functions although we have already disclosed our financial commitment.

## **INCOME**

Income resources are almost limited to grants which represents 97% or R 81.9m of the total operating income of R 84 277 030.

Other funds appropriated totals R 19.5m.

- **OPERATING EXPENDITURE**

Total operating expenditure amounts to R 84.2m inclusive of capital expenditure funded from operating income.

- **CAPITAL EXPENDITURE**

Total capital outlay amounts to R 11.3m.

**The total budget increased from R 84 072 713 in the 2007/2008 financial year to R 113.2m for 2008/2009, an increase of R 29.1m or 34.62%.**

## **CONCLUSION**

The task ahead of us is not an easy one. The people of this district look up to us to be the true and efficient custodians of service delivery as promised. Their hopes and aspirations of a better district whose finances are well managed rest on our shoulders. We dare not disappoint them.

That we have succeeded in attaining a balanced budget is attributable to stringent fiscal discipline as well as the commitment of all Heads of Departments, the Members of the Mayoral Committee and Council to the process.

Lastly, I would like to thank the CFO albeit new in the institution and his Finance Team for preparing this budget. I also want to thank the Municipal Manager, Heads of Departments and all our staff for the work they do to bring a better life to the people of the district.

I thank you all for your hard work and efforts. We have been elected to serve our people by providing them with a better quality of life. I think we are fulfilling that mandate.

**I therefore table the Annual Budget for 2008/2009 financial year for approval.**

**I THANK YOU**