

THABA CHWEU MUNICIPALITY



BUGDET SPEECH DELIVERED BY THE EXECUTIVE MAYOR OF THABA CHWEU LOCAL MUNICIPALITY, COUNCILLOR SELINA MASHIGO-SEKGOBELA ON THE PRESENTATION OF THE 2016/17 BUDGET AND IDP, WEDNESDAY, 25 MAY 2016 DURING THE ORDINARY COUNCIL SITTING, MUNICIPAL CHAMBERS, LYDENBURG.

Speaker of Council: Honorable Cllr V.S Magagula;
Chief Whip of Council: Honorable Cllr MC Masilela;
MAYORAL COMMITTEE Members; Honorable
Councilors; Ward committee members;
Leaders of all Political Parties; Magoshi;
The Accounting Officer, Acting Municipal Manager:
Mr. LM Mokwena
The Acting Chief Finance Officer, Mr. MGT Mnisi
Directors, Managers and officials of Council;
Distinguished guests; community leaders and
business leaders
Members of the Community;
The Media present here today;
Comrades, friends, ladies and gentlemen.

I greet you all on this beautiful Africa day. Sanibonani,
Dumelang, Avuxeni, Goeiemore, Ndimachironi, Molo

Madam Speaker, I take this opportunity to thank God
for this privilege to lead this council in presenting the
municipality's 2016/17 IDP/ Budget. It is indeed a
great honour and humbling experience.

This year marks a year in which our term as council
comes to an end. I will first like to appreciate the

partnership between the municipality, Communities and all various stakeholders who have been part of our IDP sessions through out the term of council from 2011 to 2016.

Our municipality is located at a local sphere of government which is the coalface of service delivery of government. As the municipality we should interact with communities regularly as mandated by the constitution of the Republic. We do this through the ward councilors, ward committee structures, Community development workers and other special interaction from time to time especially those with civic organizations.

Madam speaker indeed, it is true that Thaba Chweu Municipality continues to work together with our communities in order to find sustainable and progressive way to fulfil their social, economic and developmental needs in order to create better life for all.

The council was elected in 2011 and has embarked on a process of formulating and reviewing its five year IDP on an annual basis. The IDP implementation has encountered numerous challenges thru out the term of council because of minimal budget funding.

Madam speaker it is a reality that the expectations of our people far exceed the resources of the municipality. Despite this challenges mentioned above it is important to note that significant progress has been made during this term of council.

During the term of this council the following progress has been made,

- **Water supply in Ward 05 (Draikraal, Kiwi and Shaga), Ward 04 (Coromandel), Ward 08 & 09 (Matibidi, Leroro and Moremela) these services were provided in a form of boreholes and storage facilities,**
- **Roads construction and maintenance in Ward 12 (Lydenburg), Ward 01 (Mashishing), Ward 05 (Kelly's Ville & Draikraal), Ward 14 Skhila, Ward 06 (Simile), Ward 10 (Graskop), Ward 09 (Moremela), Ward 08 (Matibidi).**
- **Electricity connections in Ext 08 Mashishing, Graskop Ext 05 and in most of the rural and farm areas which were electrified through Eskom.**
- **Delivery of houses in partnership with the department of human settlement, Ward 08 (Matibidi), Ward 09 (Leroro and moremela) and Ward 10 (Graskop Ext 5)**

Madam speaker, the above achievements are not enough and this municipality still strives to supply bulk of this services to our people.

Madam speaker, the 2016-2021 IDP that we are approving today has highlighted the areas of service delivery that needs more effort. This areas where highlighted by the communities themselves and the 2016/17/18 that we are approving today is

going to address some of these immediate service delivery challenges.

Madam Speaker as we welcome the new council for the 2016-2021, we are proud to have created the solid foundation in terms of service delivery achievements. We wish them to take the baton forward and continue fulfilling the needs of our people. Let me remind the new term of council to put more effort on the following thorny issues.

- **Audit Opinion**

Madam Speaker the municipality's audit opinion is an important barometer of public confidence in the management and administration of financial resources of the municipality. This municipality has in the past received disclaimers of opinion from Auditor General because of the instability of our financial administration.

We have to date put in place a corrective audit action plan to deal with issues raised by both Auditor General. This corrective action plan is monitored by the Acting Municipal Manager, the Audit Committee, and the monthly Audit Steering Committee where I also sit, but also monitored by the Mayoral Committee on a monthly basis.

All this governance monitoring interventions around the Audit Action, and we are very confident of positive audit outcome.

ESKOM

Madam Speaker our electricity challenges are well documented and known, our state of affairs with ESKOM do not make us to sleep.

I also need to allay the fears of blackout as we have an agreement with ESKOM on how to deal with the account. The following resolutions were reached with ESKOM to ensure quicker and consistent plan to address the issue of electricity supply but also to address the issue of energy savings;

- The Electrification of informal settlements and other areas to curb the issue of illegal electricity connections;
- The Improvement of electricity infrastructure to ensure that we have correct supply capacities;
- The Revitalisation of the Hydro Plant capacity to ensure availability of alternative energy. This Madam Speaker will go a long way in ensuring we derive savings on ESKOM bulk account.

Madam Speaker I now present the 2016/17 IDP/ Budget.

It's very important to announce that this budget is as the result of public participation process that the municipality engaged in since April 2016 to obtain the view and opinions of our communities and business people of Thaba Chweu.

The inputs and support of our communities and our hard working councillor ward committees, and other community leaders are appreciated.

On the Revenue side Madam Speaker,

Our anticipated revenue for 2016/17 is FIVE HUNDRED FIFTY TWO MILLION, FIVE HUNDRED AND TWENTY SIX THOUSAND, ONE HUNDRED AND EIGHTY (552, 526, 180), this is an increase of 9% from 2015/16 budget

This anticipated revenue takes into account Madam Speaker the economic times and circumstances that our communities and business alike are facing as our municipal services customers.

Included in this revenue, the municipality is receiving operating grants of ONE HUNDRE AND EIGHTEEN MILLION , FIVE HUNDRED AND FOUTY SEVEN THOUSAND (R 118, 547,000) from the National Treasury

This account for 21% of our total income. Madam Speaker this means that the majority of our municipal

revenue is generated from service charges and at this point we make appeal to our communities to support us and pay for the services that they receive from the municipality

Due to inflation reasons Madam Speaker, the municipality has increased the services tariffs for water, sanitation and refuse removal by 7%.

Electricity will be increased by between 6,6% to 12% pending the approval by NERSA. Madam Speaker the cost of electricity is getting unaffordable day by day and is creating a burden for our communities and business.

The municipality has put in place the following social packages to cushion this pain and ensure that our services are affordable.

Indigent package

Households earning less than two state pensions must register as indigents and will receive;

- 50 kilowatts of free electricity;
- 10 kilolitres of water and sanitation;
- Free refuse; and
- No property rates

Property Rates

Madam Speaker, Council has decided not to affect any increase on the property rates in the 2016/17 financial year; Furthermore 55% discount has also been considered.

Madam Speaker on the expenditure side, council has budget for FOUR HUNDRED AND NINETY NINE MILLION, NINE HUNDRED AND NINETY THOUSAND, NINE HUNDRED AND THREE (R 499, 990, 000), which is an increase of 4% from 2015/16 financial year.

Our capital expenditure is budgeted at SEVENTY ONE MILLION, ONE HUNDRED AND SEVENTY THREE THOUSAND, and SEVEN HUNDRED AND FIFTY (R71, 173,750).

This capital program is funded by Municipal Infrastructure Grant (MIG) and the Water services Infrastructure Grant from the National Treasury.

Madam speaker our capital program is going to ensure basic service delivery in many areas that our communities have indicated. This will range from roads, water, sport facilities, electricity, cemeteries, sanitation, planning for housing.

Madam Speaker we thank the support of the community and business, our political leadership, the support from the district municipality and province thus far. This IDP/Budget today is a combination of efforts from all listed above.

I thank you