

**BUDGET SPEECH DELIVERED BY THE EXECUTIVE MAYOR OF MOPANI  
DISTRICT MUNICIPALITY HONOURABLE NKAKARENG RAKGOALE  
DURING THE ADOPTION OF BUDGET AND IDP COUNCIL HELD AT THE  
TZANEEN SHOW GROUND ON THE 31<sup>ST</sup> MAY 2017**

**Mr Speaker**

**Chief Whip**

**All Mayors**

**Mayoral Committee members**

**Fellow councillors**

**Traditional leaders**

**Municipal manager and our officials**

**Sector departments**

**NGOs and CBOs present in our midst**

**Our esteemed guests**

**Ladies and Gentlemen**

Once again we have converged in this fashion as the Mopani District council to legislatively legitimise the aspirations of our communities in the form of IDP and budget. These two most important documents in the administration of our council capture the essence of how we seek to approach the financial year ahead of us which is 2017/2018 and also lay a blueprint for our Medium Term Expenditure Framework.

As we do so, we will also look back to reflect on our journey thus far with a special focus on the current financial year ending in order to correctly utilise the benefit of hindsight as a way of moving forward. I wish to welcome everyone who has managed to make it to this venue and also welcome many of our community members who are listening to us live from our community radio broadcast syndicate.

Ladies and gentlemen

This budget speech is the first for the current council which came into being as the culmination of the previous local government elections of 3<sup>rd</sup> August 2016. This is the year that the ruling party, the ANC, has declared as the year of Oliver Tambo. Comrade O.R led the ANC in exile and in very difficult times. He may no longer be with us, but his legacy lives on. His wisdom continues to guide us to this day. In 1977, he was quoted to have said, **“Comrades, you might think that it is difficult to wage a liberation struggle. Wait until you are in power. I might be dead by then. At that stage, you will realise that it is actually more difficult to keep the power than to wage a liberation war. People will be expecting a lot of services from you. You will have to satisfy the various demands of our people. In the process, be prepared to learn...”** To this day when the reality of the complexities of running the state machinery threatens to overwhelm us, we recline to the wisdom of O.R Tambo who was an unparalleled servant of the people. He was thoughtful, wise and warm hearted. His simplicity, his nurturing style, his genuine respect for all people seemed to bring out the best in him.

His rural background and the expertise he acquired through education shaped him to be the man that he was. If we are to tackle the struggle of making the lives of our people better, we must emulate comrade O.R. He was a real servant of the people and a selfless leader. As we navigate through the complexities associated with bringing a better life to our people, we certainly should not miss a chance to learn as per the advice of our esteemed and distinguished struggle icon. Hence, we have made it our business that in his memory, this year and also moving forward we shall deepen unity and people's power.

Mr Speaker,

The 2017/2018 financial will is a very important year. It will mark the first financial year in our current Medium Term Expenditure Framework (MTEF). The MTEF empowers us to enhance our planning in that it gives us an annual, rolling three year-expenditure planning. Through the MTEF we are able to set out the medium-term expenditure priorities and hard budget constraints against which sector plans can be developed and refined. It also contains outcome criteria for the purpose of performance monitoring. In essence, it gives our planning cycle a fresh start. However this does not necessarily mean we reinvent the wheel, but we learn from our past cycles as I have already alluded to, that our planning will be informed by the benefits of hindsight.

Ladies and gentlemen

The one single crucial reason why I am standing here today is to tell our community members that as the Mopani District Municipality, we have a plan.

This is the plan that we seek to put in place during the coming financial year to fundamentally transform the socio economic conditions of our community members. This plan, gives us the confidence to stand here and proclaim that tomorrow will be better than today because indeed today is better than yesterday. This plan is basically informed by the aspirations of the community members on what they have instructed us to do during our public participation.

We have just entered into a new cycle of local government and we have a fresh mandate of **“advancing people’s power”**, but the needs of our people are not new. Our term of office will still be informed by the needs of our people which they have just given to us during the recent process of IDP and Budget Public Participation. Indeed an IDP that is informed by our people’s needs, remains the reliable vehicle that we must and will use to draw closer to our mandate of advancing people’s power. We have attentively listened to the shortages of water in places like Pulaneng, Mandlakazi, Taulome, Khopo, Msiphani, Rwanda, Lenyenye, Thapane and others in Greater Tzaneen. We have taken cogniscene of the struggles of shortages of water for people around Hlaneki, Mbaula, Dzingidzingi, Makosha, Ndengeza, N’wadzekudzeku Ngove, Xivulani and other places in Greater Giyani. People of Mahlomelong, Makgaung, Madeira, Kanana, Sedawa, Sekoror Mohate, Hlohlokwe, Turkey and other places in Maruleng, we have heard your cry.

Community members of Shamfana, Khehlakong, Makgakgapatse, Goutplaas, Mahekwe, and all the villages of Greater Letaba, your reasonable demands for portable and sustainable water supply have reached our attention. People of Seloane, Maseke Maselapata, Changane, Mashuping and other places in Baphalaborwa, you have said a mouthful in terms of your challenges with regard to water supply. This IDP and budget we are presenting here today, must certainly come as a response to some of the questions and challenges you have brought to our attention. We must also appreciate that in some areas where you have mentioned challenges, we were already working on some of the challenges through the implementation of our capital projects such as water plants and water reticulation systems. I must also emphasise that the contradiction brought by a growing number of needs against the limited resources, forces us to take just some of the community needs for this current financial year and Medium Term Expenditure Framework. This is because as the Mopani District Municipality, we are a municipality that rely on grants with no revenue base to increase our scope of service delivery capabilities.

Having said all this, I must still emphasise that this IDP that we are presenting here today for adoption remains the bedrock and the cornerstone of our planning mechanism. In fact, it is the only plan with which we aim to improve the lives of our people. Through this plan, we say we have focused on the most important needs of our local communities by taking into account the resources available.

Also, our community members must also take note that the other issues they have raised during our engagement processes which are not part of our mandate such as roads, clinics, schools and other amenities will also find expression in the planning process of the departments concerned. Through our cooperative governance and intergovernmental relations structures, we will ensure that those issues which you have raised find the necessary attention within those departments.

It is through the inputs that communities bring to our attention that we are able to boldly proclaim that this IDP is not for us, but for the community. The intergrated development plan that we present to you today that we can say without fear that indeed we have a plan to transform the socio economic conditions of our people. Therefore we dare say that, tomorrow will be better than today, because today is indeed better than yesterday.

Through a thorough and an active participation process of all the important stakeholders, decisions are made in a democratic and transparent manner. Therefore, I have all the courage today to say this document is only in our hands to guide us into doing what our communities who have been part of the process of developing it from the beginning have instructed us to do. By taking into account of the needs of our people, we have through this IDP developed a realistic project proposal based on both the needs of the people and the availability of resources. To this intent, I want to thank our community members and all stakeholders for the robustness which they have engaged this document with. It is through those engagement that we

can proudly say this is indeed a people centred IDP which captures their aspirations for their respective communities.

Honourable members

Now that our plan is clear, we need means to finance it in order for it to translate into tangible services and amenities to our people. It is against this background that I want to present to you a budget of ONE BILLION, SIX HUNDRED AND SEVENTY SIX MILLION, ONE HUNDRED AND FORTY EIGHT THOUSANDS AND SIX HUNDRED AND FORTY NINE RANCS (R1 676 148 649). I must indicate that compared to the need to improve things in our communities, this money is not sufficient. This is because as the Mopani District Municipality we have very limited revenue streams and rely solely on grants which we receive from the National Treasury such as equitable shares, Municipal Infrastructure Grant, Water Service Infrastructure Grant and others. Also our economic growth outlook at a national level and the economic balance of forces at a global level, we must quickly devise strategies which will assist us to proactively manage our sustainability and means to survive beyond the grants from the national government.

This budget will finance our earnest desire of aligning ourselves with the back to basics approach. The limitation of our budget against the needs of

our people compels us to make every cent counts. We must once again commit ourselves to the noble practices of good governance and prudent financial management. We must at all material time tighten the bolt on oversight to ensure every cent of this budget is spent in a manner that will improve the lives of our people. Speaking of strengthening oversight, we are fully embracing the separation of functions as per the dictates of section 79 of the Municipal Structures act. Until the end of last term, the approach was that Section 80 Committees, such as MMC's and EXCO members presided over portfolio committees.

This in essence meant that portfolio Committees were reporting to the Mayors and Executive Mayor. Essentially, we have had the Executive that accounts to itself making it both player and referee at the same time. Ideally, we needed to have Section 79 Oversight Committees to monitor the work of the executive which will enhance the oversight role on the performance of the Executive on behalf of Council and an advisory legislative role. The separation of functions will augment the sterling work carried out by the Municipal Public Accounts Committee and the Audit Committee respectively. We believe that this will greatly improve our oversight capacity which in turn will turn our institution into a well-oiled service delivery machine. As we table this budget and all aspirations we need to achieve through it, we must be frank on our spending patterns. One of the challenges that undermines our ability to administer our purse with utter prudence, is the issue of unauthorised, wasteful and fruitless expenditure. These are financial imprudence which we must face head on



and tackle once and for all because they continue to undermine our effort to govern transparently. Indeed through improved, diligent and hands-on approach to oversight, we shall overcome. Our Municipal Public Accounts Committee (MPAC) in its Oversight Report on the Annual Report released in March this year, makes a number of recommendation in dealing with this issue. Recommendation 5d says the following and I quote; **“The executives and relevant portfolio committees must monitor municipal spending pattern at all times for the purposes of both legislative compliance and to as well reduce the absurd unwanted expenditures.”**

Working together as various components of council, we will continue to fully support the work of oversight carried out by our portfolio committees, Municipal Public Accounts Committee and our audit committee. Our administrative component must fully commit itself to implement every recommendation made by these structures coupled with the Auditor General to ensure that we reposition our council and our municipality as a centre of excellence and a champion of service delivery. Such a move will re-assert our full commitment to the electoral mandate which we have just received from our electorate which among other things demands from us to provide:

1. Visionary, Responsible and Accountable leadership.
2. Improved audit outcomes
3. Improved performance management and compliance
4. Improved public participation

## 5. Improve on LED to realize tangible results

Mr Speaker

During our inauguration last year, I did indicate that one of the critical challenges facing our institution was instability due to vacancies at senior management level. During the same address, I made a promise that we will run swiftly to close the gaps by ensuring that we fill all the vacant critical positions as a matter of urgency through our institutional recruitment plan. To this effect I am happy to announce formally to our communities that all vacant positions in senior management have been filled. Ladies and gentlemen, I am happy to present to you the following new recruits:

1. Our new Municipal Manager Mr Republic Monakedi
2. Director for Engineering Services Mr Paradise Shilowa
3. Director for Planning and LED Mrs Faith Mashianoke
4. Manager for Legal Services Mr Tshikovhi

We can now confirm that we have a fully-fledged executive management structure, made of suitably qualified individuals who also boast an impeccable level of experience in their respective fields. With this, we believe that our technical and administrative woes will be a thing of the past. We have also appointed a number of accountants and other officials at our corporate services to ensure that we strengthen our capacities at finance and human capital services. We want to wish all appointees well in their

new endeavours and we firmly believe that they will spare no effort in their endeavours of ensuring that Mopani District is a better place.

Mr Speaker

We are proud of the results yielded by the efforts we have put in the previous years in as far as service delivery is concerned. We know that throughout the years, shortages of water has been the major challenge in many of our communities. Although we have worked hard to alleviate this challenge, we have noted through our continuous interaction with community members and community stakeholders that in some parts of the district, this challenge persists.

As a matter of fact, a quick analysis we made just after our recent interaction with community members during our IDP & Budget Public Participation which we held at Ngove, Mokwakwails, Mashishimale, N'wamitwa and Sekororo Moshate indicates that 39% of issues raised by community members speaks of shortages of water. Road infrastructure followed at 16% while education and health came third and fourth at 7.5 and 6.4% respectively. Ours here today, is to assure our community

members not only in word, but also through the contents of our IDP and Budget that their concerns are receiving the necessary attention. This budget is our assurance to you that tomorrow will be better than today because indeed today is better than yesterday. It is this confidence that makes us to invoke the wisdom of former president Thabo Mbeki who once said, **“In practical and measurable ways, we have to keep pace with the rising sun, progressing from despair to hope, away from a brutal past that forever seeks to drag us backwards towards a new tomorrow that speaks of change in a forward direction. History and circumstance have given us the rare possibility to achieve these objective.”**

I must indicate and emphasize that during the coming financial year, we will continue with our programs to ensure that the water shortage challenges in the villages I have mentioned and many others which I could not mention are addressed for the simple reason that we all know that water is life. In order for us to deliver services in an effective and an efficient way, we need quality and sophisticated infrastructure. Our desire to ensure that water reaches each and every household will be frustrated if we don't have the necessary infrastructure such as bulk lines, reservoir, reticulation, capacitated plants, and functional sewage networks and so on. It is against this background that issues of development of infrastructure takes center stage in our budget. We have set aside R636 Million, 794 Thousand and 552 as our capital budget to address the very same issue of infrastructure development. I must once again indicate that this amount is not adequate considering the amount of needs in our communities. This amount has

been taken from Municipal Infrastructure Grants and equitable shares. It is the amount of grants we receive which determines the magnitude and scope of projects we can implement during the financial year.

Ladies and gentlemen

We are returning to Maruleng Local Municipality with an amount of R105 Million to handle the outstanding water and sanitation challenges in that area.

Some of the projects to be implemented include the upgrading of water reticulation in villages such as Molalane in Ward 5 and Butswana in Ward 7. We will also respond accordingly to the needs of people in Ga Sekororo Moshate and the surrounding areas.

Honorable Members

We have set aside R84 Million to continue addressing the water shortage challenges in Greater Letaba Municipality. I have already emphasized our limitations with regard to financial resources to carry out our work the way we would like to. Due to this challenge, in some of our communities we are implementing projects in bits and pieces in what we call multi-year terms. This is because our financial muscle does not allow us to carry out certain projects all at once. One of the challenges with multi-year projects is that at the end of one phase, when we suppose to return the following year to implement the following phase of the project, communities vandalize the very infrastructure that we are supposed to build upon in order to move forward. We therefore request our communities to seek clarity with regard to how projects in their communities are implemented instead of vandalizing because this stalls our progress in project implementation. One of the

projects that we are implementing on a multi- year basis at Greater Letaba Municipality is the Sefotse to Ditshosini Bulk Water Supply Project. This year, we will return to this project to construct a bulk line and reticulation at Ramatlatsi and also continue with the bulk line at Ramoroka Village. Also under Greater Letaba Municipality, we are going to embark on a vigorous process of refurbishing, rehabilitating and upgrading of internal water reticulation networks in villages such as Mobjepilong, Mokwasele, Mponeng, Iketleng to mention just a few. We will also refurbish the package plant at Makgakgapatse village to ensure that we respond accordingly to the challenges in that area.

Mr. Speaker

After the intervention by the department of water and sanitation to speed up the implementation of bulk line network in Greater Giyani, we are coming to Giyani to address backlogs with regard to reticulation networks in various villages. We have set aside R40 Million for the rehabilitation of internal networks and boreholes. Among other projects we have prioritized include the upgrading of Dzumeri internal water reticulation upgrade, upgrading of Sekhunyani internal water reticulation, upgrading Dzingidzingi internal wter reticulation network and many other projects. We are also going to clean reservoirs at Giyani Water Works.

In the Greater Tzaneen municipal area the municipality has set aside R317 Million for water and Sanitation projects. This amount will cover capital projects in GTM such as bulk and reticulation for Jopie Mawa, Thabina Water Works and others. We have for quite sometimes received numerouos

complaints about the unbearable stench and the unpleasant condition that the Nkowankowa sewage is at. This is because of the stalled work in the project of rectifying that situation due to challenges we have come across. I want to assure the community members of Nkowankowa that through this allocation, we have also set aside an amount to ensure that the stalled work at Nkowankowa Sewage resumes as soon as the new financial year begins. We have also set aside money to refurbish the Thapane Water Treatment Plant. This after I visited the scheme during my routine project visits wherein I witnessed the state of dilapidation that the plant is at. The need to continuously maintain and revitalize our infrastructure to increase their longevity cannot be over emphasized. We will also refurbish and rehabilitate the internal water reticulation network at Makhubidung and the surrounding villages.

Ladies and gentlemen

We are also returning to Baphalaborwa with an amount of R40 Million. We will be replacing and resising the water storage reservoir at Mapikiri, replace and resize the asbestos pipes in Namakgale and Lulekani townships. We will also be going back to Seloane to implement phase 2 of the Seloane Water supply. We have been made aware of the inconveniences that the sewage in Namakgale has on community members in some part of that township. Constant blockages, flow into the streets and sometimes household are some of the issues that our community members are grappling with in the area. As a response to this challenge, we will in the next financial year construct a sewer emergency dam at Tshelang Gape Sewer Booster Station and also upgrade the outfall sewer pipeline. We

believe this will go a long way in solving the sewer inconveniences experienced by community members in the area.

Ladies and gentlemen

We all know that while water is life, sanitation is dignity. Hence during our public participation, we listened attentively to our community members who emphatically told us that there is a need for VIP toilets at Babangu, Ngove, Ward 8 and 9 of Baphalaborwa, Jokong, Ramudumo and many other areas. We have registered the complaints about the status of the Nkowankowa Sewage and the need to replace asbestos sewer pipelines at Phalaborwa.

To this intent, We are returning to the upgrading of Phalaborwa sewage works, upgrading of Nkowankowa sewage and the final touch ups at the almost complete construction of the Senwamokgope Sewage Plant. We will spend a combined figure of around R32 million to ensure that we maintain the dignity of our community members in those areas. Our community members in rural areas, such as Babangu, Dzingidzingi, Jokong, Ramudumo and Babanana, we are also coming back with Phase 5 of the Mopani Rural Household Sanitation Project. This is the continuation of our flagship project where we have already built hundreds of thousands of our community members dignified sanitation infrastructure.

Mr. Speaker

While we are working hard to build new infrastructure, we also have a responsibility to maintain the existing municipal infrastructure. In aligning ourselves to the priority of preserving and maintaining the municipality's current infrastructure, the budget and Medium Term Revenue and



Expenditure Frameworks (MTERF) provide for extensive growth in the area of asset maintenance as informed by our asset renewal strategy and repairs and maintenance plan of our municipality. Therefore, during the compilation of this budget, operational repairs and maintenance was identified as a strategic imperative owing to the aging of municipal infrastructure and historic deferred maintenance. However, due to financial constraints, we were unable to adequately provide for repairs and maintenance as we would have wanted to. To this end we have set aside an amount of R94 Million. We believe that this will be greatly improved in the future as our revenue collection mechanism begins to yield the desired outcome.

Mr Speaker

One of the recurring themes during the President's State of the Nation Address was the need for radical socio economic transformation. Although the president's theme put much emphasis on matters of ownership, we have a responsibility as local government to play a role in facilitating issues of economic development at a local level. This is so because the constitution of the country place the responsibility of planning and economic development on local government.

This responsibility is shared with both the provincial and national spheres. Therefore the planning process of local government should be aligned with provincial and national imperatives.

As municipalities enter the 4<sup>th</sup> term of democratic local government, there is a need to look at some of the challenges which limited our roles in playing a meaningful role in our local economic development responsibilities. Some of these challenges include but not limited to:

- Weak planning departments
- Poor coordination between the spheres of government
- Weak planning departments
- Weak LED units
- Lack of implementation of LED strategies
- Misaligning of plans between different sphere of government
- Lack of technical expertise to drive LED programs

These issues and others which we might still be identified need to be thoroughly addressed so that we can play meaningful role in developing the economy of our district.

The Department of Trade and Industry has announced the Industrial Park Revitalisation programme. Here in Mopani, this program will be implemented in the Nkowankowa industrial park. I am aware that LEDET has already made budget provisions for the first phase of this program. Our local economic development strategies must begin to speak to how we are going to contribute into such programs. By so doing we will be also be contributing to building capacity on economic and development planning which features prominently in the ANC local government manifesto. We have during this financial year set aside an amount of R2.3 Million to among

other things support SMME's and also incubate and train them on available opportunities.

As a district municipality, we will during the coming financial year call an economic summit to among other things review our performance in local economic development and further optimise our future potential in this regard. This summit must also guide us on how do we respond to the call of radical economic development at a local level.

Over the years, our Disaster Management Centre has been doing well in discharging its responsibilities and in the process getting recognition both locally and internationally. It is therefore of paramount importance that as council, we continue to support their continuous endeavours to ensure that they effectively prevent where possible and mitigate against disasters when they occur. We are pleased to announce that our disaster management centre has signed a Memorandum of Understanding with the University of Venda's School of Environmental Management on issues of research. Emanating from this memorandum, the university will focus their academic research on environmental and disaster management with a specific focus on Mopani District Municipality. Just recently, we hosted a delegation academic and postgraduate student from the University of Venda who will be carrying out their honours, masters and Phd research focusing on Mopani District Municipality. This is just one of the many initiative carried out by our DMC to ensure that our district is a disaster free zone. For such an initiative and other programs of the Disaster Management we have set

aside a figure of R25 million for the efficient running of the centre and the improvement of its operation.

Ladies and Gentlemen

As government, we deliver services to the people. Therefore it is imperative that even as we prioritise other services, we must also ensure that we create a healthy environment within which our community members can fully enjoy the services provided by government. It is against this background that through our Community Service Directorate, we will spend R152 Million on various health and environmental health, fire services and disaster management matters.

Through this amount, we will be playing our part in creating awareness on issues relating to HIV AIDS, support community environmental health projects and also prioritise issues of rural waste management projects.

Still through our community services directorate, we know that one of the most proven and effective way of fighting crime is to ensure that our youth are engaged in sport and recreational activities. Through sport and recreation we can also build a healthy nation. It is against this background that through our community services directorate we have set aside an amount of R2.5 Million to support various sport and recreational activities. Some of the sporting activities we will be supporting include golden games which are specifically meant for our senior citizens, indigenous games, junior dipapadi and many other activities. We will also support cultural activities such as Ku Luma Vukanyi/ Go loma morula, and district

Maphungubwe activities. Still on sport and culture, I want to take this time on behalf of all people of the Mopani District to wish Mr MJ Malwandla who is our Assistant Director Administration and Mr Thabo Mabulane our Assistant Director Engineering Services who will be competing in this year's Comrades Marathon in Durban. We wish them well in their quest to lift the flag of Mopani high.

Mr. Speaker

The Municipal Systems Act is very clear on the need for community members to be consulted and also have a voice on matters of local government. Section 4 and 5 of this act are very emphatic on this matter.

To this end, we have set aside an amount of R3Million through the Public Participation unit in the Office of the Speaker to ensure that we effectively maximise community participation in all our programs.

While on public participation I wish to announce that we have taken a decision that the District Day of Prayer like the one we hosted at Nkowankowa Community Hall in September last year, will be an annual event. The amount budgeted for public participation will also cover logistics involved in organising the prayer. When we declared the day of prayer last year, we were forced by circumstances of draught. However, from now henceforth, we want to be proactive in our prayers in that we will host our prayer day even before the start of the rainy season.

Through my office, we have budgeted R527 000 to assist and support the house of traditional leadership in the district. Still at it, I wish to dearly appreciate the kind of support and partnership we continue to enjoy from the house of traditional leadership.

We are indeed eternally grateful to the district house of traditional leadership for supporting us in our endeavours of taking services to our people. Without your support, it will not be possible to fully develop our district. We are hopeful that the cordial friendship we are enjoying with the traditional leaders as a district will continue to grow in leaps and bounds.

Ladies and gentlemen

In conclusion, I wish to indicate that processing these IDP, Budget and all related document was not an easy one. But by working together with my fellow councilors and our administrative component, we have developed documents which will best serve our communities.

I am eternally indebted to you and the inputs of our community members also working with our community stakeholders. We wish present to this august house the proposed Integrated Development Plan and proposed budget of R1, 765,664,045 for adoption. Through it, let us work together to deepen people's power.

I thank you!