

Speech delivered by His Worship, the Executive Mayor of Mopani District Municipality, Councillor Pule Shayi to the Special Virtual Council Sitting on the occasion of adopting the IDP and Budget for the 2021/22 Financial year.

Mr Speaker, Ntate Wireless Sedibeng;

Chief whip, Mme Martha Maswanganyi;

Members of the Mayoral Committee;

The chair of the Local House of Traditional Leaders, Hosi Nwamitwa II;

All our royal leaders;

Leaders of opposition parties;

Chair of chairs, Cllr Masilo Maloko;

The chair of MPAC, Cllr Charlotte Nkhwashu;

All chairpersons of our Section 79 Committees;

Both the chairs of Audit Committee and Risk Committee;

Municipal Manager and his senior management team;

Fellow councillors;

Ladies and gentlemen;

Good morning

Once again it is with greatest of humility to have the opportunity to deliver to this august sitting of council the budget, and the Integrated development plan for the 2021/2021 financial year.

Since August 2016 side by side, we have travelled this journey together with the 1,2 million of our people in the district. An occasion like this always presents a window of opportunity for reflection on this journey we have walked together in advancing people's power in every community.

Overcoming the covid-19 pandemic remains a priority of government

The efforts to rebuild the economy of the country is largely tied to our fight to overcome the Covid-19 pandemic. In the words of Minister Tito Mboweni, the Covid-19 pandemic has turned the global economy upside down. It has affected all our lives, and our pattern on spending has to be seriously altered.

Reality is that infections are surging again, and last night the President announced the move back to Adjusted Alert Level 2 with effect from today as we seek to push back the third wave of this pandemic.

We want to express our appreciation to all our people who have been heeding the call to observe the health protocols as this is key as work together as a collective to defeat the pandemic.

Government is proceeding very well with the rollout of the vaccination programme. It's now three weeks since government commenced with Phase 2 of the Vaccine Roll-out programme. This phase commenced with the vaccination of persons 60 years of age and above.

We therefore wish to appeal to all those that are eligible to be vaccinated during this phase to make use of this opportunity created by government. We want to encourage everyone to continue the fight against the spread of Covid-19. Let us remain steadfast and vigilant while we continue to practice preventative actions.

We also want to remember all the health care workers who have lost their lives to the pandemic. Their contribution to the fight against the pandemic is immeasurable. On behalf of the leadership collective, we wish to convey our message of condolences to the families of the 463 people who have lost their lives to the pandemic in this district. We know that some of them were breadwinners in their families and their passing has left their loved ones despondent.

The District Development Model

The IDP and budget will be implemented in the context of the District Development Model, which was launched by Premier Mathabatha last month. The District Development Model places emphasis on the need to consolidate planning and implementation of projects at the district level, which will allow for faster service delivery in the spirit of khawuleza.

In his speech at the launch of Waterberg District Development Model, President Ramaphosa said the DDM is a break from a past where government departments did not plan properly and imposed projects on communities without taking their needs into account.

Therefore, Council should note that we are recording improvement and our people should have much confidence that indeed tomorrow will be better than today. We are pleased with the overwhelming support we have received from our key stakeholders, the royal leaders and the business community in particular because they are central in the success of this model.

Through this model we should be able to build on the successes made since the democratic breakthrough. Together with our people we have over the years build better communities. Though, we should be the first to concede that challenges still remain and it is only the sustained commitment from our people to remain involved in developmental initiatives that gives us courage that tomorrow will be better than today.

Fellow councillors

Our meeting here is in direct response to the legislative directive. Section 16, sub-section 1 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA), dictates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

Section 16(2) of the MFMA states that, in order for a municipality to comply with this subsection 1, the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. We are confident that the IDP and budget which we are presenting here today is a reflection of the aspirations of our people.

This august sitting will be reminded that the draft IDP and Budget 2021/22 was tabled on the 31st of March 2021 to a virtual Special Sitting of Council. We then embarked on a process of consultations with residents of our district, using available platforms including the community radio stations. This was preceded by our engagement with our royal leaders. We want to thank all our people who have been making contributions to this process by identifying their most urgent needs and priorities

Therefore, the final determination by this council is guided by the inputs from residents of our district, who in the main have raised issues around water, roads and support for SMMEs as we fight unemployment and poverty.

Budget breakdown

As the District Municipality our vision remains: **To be the food basket of South African Africa and the Tourism Destination of Choice.** Agriculture, Mining, Manufacturing and Services constitute the core of our District Economy.

Our everyday action is guided by our commitment to provide sustainable basic services to the people of Mopani and also grow the economy. And in doing so, we are guided by the following goals:

- Ensuring sound financial management
- Sustainable infrastructure development and maintenance
- Sustainable, optimal, harmonious and integrated land development
- Ensure a clean, safe and hygienic environment, water and sanitation services

- Democratic society and sound government
- Efficient, effective and capable workforce

Our presentation will be structured into the following key pillars:

- Basic Services and Infrastructure Social Services
- Local Economic Development and Spatial Rationale
- Good Governance and Public Participation
- Transformation and Organisational Development
- Financial Viability

The budget presented to this council today is at **R2, 2 billion** of which **R1,7 billion** is the operating budget and **R523 million** capital budget, and the breakdown from the operating grants and subsidies is as follows:

1. **R1,04 billion** from Equitable Shares
2. **R481 Million** from Municipal Infrastructure Grant (MIG)
3. **R42, 3 Million** from the Water Services Infrastructure Grant (WSIG)
4. **R10,1 Million** from EPWP
5. **R2,9 Million** Financial Management Grant
6. **R2,2 Million** from the Rural Roads Asset Management Grant

Other revenue will come from the following:

- sale of tender documents
- insurance claims,
- skills levy – LGSETA,
- EHS charges,
- Fire Services charges
- as well as commission on debit orders- PayDay.

1. BASIC SERVICE DELIVERY AND INFRASTRUCTURE

We are working around ensuring sustainable infrastructure development and maintenance. We will continue with the programme of providing rural household sanitation (**VIP toilets**) to communities across the district. In GTM we built 1584 VIP toilets, 1584 in GGM, 1506 in GLM, 1629 in MLM and 1494 in BPM. And for the 2021/22 financial year we are budgeting an amount **R90,1 million** from the MIG which will be spent as follows:

- Maruleng Municipality: **R8,7 million**
- Greater Tzaneen: **R22,5 million**
- Greater Letaba: **R18,7 million**
- Greater Giyani: **R20 million**
- Ba-Phalaborwa: **R20 million**

Through the MIG funding, we will be implementing a water reticulation infrastructure targeting the villages of Hlaneki, Bode and Maswanganyi – this in the Greater Giyani Municipality. The project is called Water Reticulation for Middle Letaba Water Scheme Cluster 6 with a budget of **R15 million**.

We will be doing water reticulation targeting Lulekani and Benfarm with a budget of **R40 million** and **R50 million** during the 2022/23 financial year. We will also continue with the Phase 2 of Ritavi 2 Water Scheme project where we are constructing water reticulation in the Muhlava area (**Muhlava, Muhlava-Cross, Sasekani, JB, Petanenge and Zanghoma**). For this project we have set aside **R40 million** from the MIG and will budget a **R50 million** during the 2022/23 financial year.

We have set aside **R40 million** for Thabina to lenyenyene Bulk Water Supply and a further **R60 million** in the 2022/23 financial year as we move towards completion of this project. This is one of the biggest projects for the district for we know that consistent supply of water to Lenyenyene township will boost our efforts around revenue generation.

In Bolebedu South (Relela Cluster in the Greater Tzaneen Municipality) we have a budget of **R18,2 million** for Thapane Regional Water Scheme. For the Thapane Regional Water Scheme and Extension project, we have a budget of **R23,7 million**. For the coming financial year, we do not have allocation for the Joppie-Mawa Ramotshinyadi project, but we have an amount of **R42, 7 million** in the 2022/23 financial year.

In Greater Tzaneen we also have the Tours Water Reticulation project with an amount of **R44 million**, but we also have Tours Water Scheme-Bulk lines refurbishment and reticulation with a budget of **R3,2 million**. We have a budget of **R30,1 million** for Lephephane Bulk Water Project and a further **R50 million** for the 2022/23 financial year.

In the Greater Letaba Municipality, we will be focusing again on **Sekgosese Water Scheme project** where we are doing water reticulation with a budget of **R40 million**.

We have the Sefotse to Ditshosini Bulk Water Supply where we have budgeted an amount of **R14,2 million**.

In the Ba-Phalaborwa Municipality, we have the Makhushane Water Scheme where we are doing reticulation network with a budget of **R40 million**. We also have the Selwane Water Phase 2 with a budget of **R2,5 million**.

In Maruleng Municipality, we have the Hoedspruit Bulk Water Supply with a budget of **R15,9 million**.

Through the **Water Infrastructure Grant (WSIG)**, we are going to be implementing the following projects:

- Bolobedu Moshate Water Supply (Mabosana): **R5 million**
- Zava Water supply: **R19,5 million**
- Upgrading of Mageva water reticulation network: **R3 million**

- Refurbishment, rehabilitation and upgrading of internal water network and development of boreholes at Makhubidung: **R5,2 million**
- Refurbishment of Namakgale Wastewater works: **R5 million.**
- Eco Park (Xikukwane Water Reticulation): **R4,6 million**

We have appointed contractors for some of the WSIG Project to be implemented during this financial year. The **Giyani Pipeline C & D at Mapuve village**, with a budget of **R4 million**. We will do the same in the **Greater Letaba Municipality, Mokwasela village** and in **Mariveni Village in the Greater Tzaneen Municipality**.

The **upgrading the bulk water reticulation and also equip the borehole at Kuranta village** in the Greater Letaba Municipality. This for an amount of **R4million** from WSIG.

Going back to Giyani, the construction water reticulation pipelines at **Ngove, Xikukwane, Hlaniki and Manyunyu**. Each of this projects will cost us **R4million**, which we are implementing from WSIG funding.

We will be doing **reticulation and providing electrical power at the Senwamokgope sewerage plant** in the Greater Letaba Municipality, where we **set aside an amount of R4 million**. Still in Greater Letaba, we will be **constructing water reticulation pipeline at Ramoroka village**, and this as well is budgeted for **R4 Million**.

DWS through LNW will be implementing the **Babanana/Nkambako Bulk Water Project** with a budget of **R95 million**. The **Giyani Bulk Water Supply project** will also be funded as DWS and LNW continue to work towards its completion.

We have budget **R1,5 million** to work around developing our **Water Demand and Conservation Management Strategy**. We have budgeted **R750 thousands** for the development of the **Waste Water Risk Abatement Plan**. We

have budgeted **R20 million** for the repairs and installation of Bulk Water Meters. For Bulk Purchasing of Chemicals, we have budgeted **R40 million** and for boreholes spares **R30 million**. For repairs and maintenance on our water infrastructure, we have an amount of **R108 million**.

We have **R1 million** to start with construction of fire station at Kgapane. To review the district integrated transport plan, we have budgeted an amount of **R1,2 million**.

2. LOCAL ECONOMIC DEVELOPMENT AND SPATIAL RATIONALE

3.1 Local economic development

We will continue to support and promote the economic sectors in the district in order to grow our economy, focusing in the main on agriculture, mining, tourism and manufacturing.

In order to **review the district spatial development framework**, we are setting aside an amount of **R1 million**.

We must congratulate this council on the initiative to support small businesses through the SMME Support Fund. In trying to reach out to SMMEs that have not benefited from Relief Funds administered by other spheres of government as part of Covid-19 support. The Municipality will be spending an amount of R2,1 million in the current financial year to support these SMMEs.

We are doing this because ordinarily every year we support SMMEs to showcase their products and services at trade shows such as the Durban Indaba, the Rand Easter Show, the Letaba Show, including Marula Festival. The covid-19 pandemic has restricted their participation at that level, so we are able to use the savings to support these SMMEs.

We will be awarding e-vouchers worth **R7000** to 100 enterprises in the agricultural sector. They will be able to use the vouchers to buy fertilizers, animal feeds, chemicals, seeds and seedlings.

We are also going to award **R15 000** vouchers to 50 enterprises in the tourism sector. They will be able to use the vouchers for Wi-Fi installations and development of e-marketing websites. In the trade and manufacturing sector, we will be awarding vouchers worth **R10 000** to 70 enterprises. They will be able to use the vouchers to purchase sewing machines, beading material, fabrics, and hair products for saloon operators.

Enterprises that are interested in participating should submit applications before the closing date, which has been extended to Friday, the 28th of May. More information is available on our website: www.mopani.gov.za, Facebook Page on Mopani District Municipality or alternatively liaise with our LED unit.

The last ordinary sitting of Council received an update report on the Moshupatsela Farm Development Project. And it was this Council that noted the progress made the work streams coordinated by the Municipality through the support from the Department of Agriculture & Rural Development. Guided by the report from the team, we have approved the leasing of the farm for a long-term period to Agriculture Graduates for the purpose of farming for local and export market, but part of the requirement is that the graduates must be residents of Mopani District and must be in possession of plant production qualifications.

But it was this Council that further noted that there is work that we still need to be done before the lease can be finalized, and this work include the rehabilitation of the boreholes and perimeter fence at the farm. So, we are beginning with that work and to that extent we have budgeted an amount of **R1 million** for maintenance at the farm.

We have also set aside an amount of **R800 thousands** as part of farmers' development programme, where we are looking at buying farmers inputs, but also exposing them to the market locally and outside the borders of our province.

We have budgeted **R1,5 million** to establish partnerships and collaborations with key stakeholders in support of initiatives to grow the economy of the district. We will continue to support our tourism establishments, and we committing a budget of **R700 thousands**.

3.2 Spatial rationale

We have an obligation as a District Municipality to coordinate efforts around ensuring an efficient, effective, economic and integrated use of land space in the district. And to that extent, we will ensure that we review the district Spatial Development Framework with a budget of **R1 million**. We have further set aside an amount of **R1 million** which will cater and pay for tribunal members as they sit to adjudicate on land use applications.

We have plans to assist our local municipalities with township establishments. For **Selwane township establishment** where we will be assisting with producing the layout plan and general plan for **200 sites**, we are budgeting **R800 thousands**.

We are also going to assist Greater Tzaneen Municipality with the **Nwamitwa township establishment**, where we are to produce a layout plan for 200 sites. For this work, we are again setting aside **R800 thousands**, and we will be doing the same as **Xihoko in ward 04**.

In the Greater Giyani Municipality, we will be assisting with the township establishment at **Xivulani extension**. The target is to produce layout plan for **200 sites**.

In the Ba-Phalaborwa Municipality, we will be assisting with the layout plan for **township establishment at Humulani/Matiko-xikaya.**

3. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

We have a responsibility as a democratic local government to promote democracy and sound governance. The following are some of the key items council have considered in the draft reviewed IDP and budget for the 2021/22 financial year:

We have budgeted an amount of **R1 million for public participation sessions**, including for interactions such as these on IDP/Budget, but also our quarterly engagements with communities through the Imbizo programme.

For the 2021/22 financial year, we have set aside an amount of **R200 000** to assist the work of the **Municipal Public Accounts Committee (MPAC)**

We have budgeted an amount of **R400 thousands** in order to host the district ward committee conference.

We have again set aside an amount of **R2,4 million** to assist students from previously disadvantaged backgrounds through the **Mayor's Bursary Fund.**

We are looking to build on the partnership we have established with the community media, in particular the four community radio stations. Therefore, we have set aside an amount of **R400 thousands** to partner with them to promote community participation on matters of governance.

To support the work of the institution of traditional leadership (**local house of traditional leadership**), we have set aside **R700 thousands.**

We have set aside an amount of **R1,2 million** to support **youth and children's programmes** during the coming financial year.

For **disability programmes**, we have set aside an amount of **R670 thousands** which will cater for the forum, awareness campaigns as well as Indaba.

We plan to continue our partnership with **SABC Munghana Lonene on the Xitsonga Music Awards**. For the year 2021/22, we will be contributing **R400 thousands** to the hosting of the awards in the district.

We have also budgeted for the Elderly Forum and some of their activities.

To continue awareness on the **16 Days of No violence against women and children**, we have set aside an amount of **R250 thousands**.

But, we are also going to be contributing to campaigns led by the Men's Forum, the women caucus, the Gender forum as well as SAWID.

We have budgeted **R100 thousands** for awareness campaigns on Arrive Alive.

We will support the twelve sport federations in Mopani with a budget of **R410 thousands**.

To encourage our communities to lead a healthy lifestyle, we will be funding the Executive Mayor's Cup and Marathon for an amount of **R500 thousands**. But we also continue to support other activities that encourage our people to fight the lifestyle diseases as well as promoting social cohesion.

We have set aside an amount of **R2,2 million** for the work of the Audit Committee.

4. TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

We will continue to work around building an efficient, effective and capable workforce. We have budgeted an amount of **R1,9 million** for the upgrading of the disaster management's centralized communication centre. We are

budgeting **R12 million** for the purchase of specialised vehicles to assist our fire and rescue team. But we also have a further **R12 million** set aside for fire engines.

We have set aside **R5,5 million** to continue our fight against Covid-19 (our ongoing efforts to provide protection in the workplace). We will be procuring Covid-19 PPEs for our workforce and also disinfecting the work stations regularly.

To purchase protective clothing for the firefighting personnel, we have set aside an amount of **R2,7 million**. We have **R4, 1 million** budgeted towards emergency equipment. And we have also set aside **R300 thousands** for trauma and debriefing of staff.

To assist our staff and **councillors through capacity building programmes**, we are budgeting **R2 million**.

We have budgeted an amount of **R10 million** for legal services, and a further **R1 million** for the review and gazetting of by-laws. For security services in all our facilities (premises) i.e. water schemes, fire stations, satellite offices, and disaster centre, we are setting aside **R34 million**.

We are committing at least **R1 million** to start with our plans to **install cameras on high risk areas** which will contribute to our efforts to improve road safety in our district. Sekgopo, Makgoebakloof and others as identified in other local municipalities.

We have budgeted **R3 million** for disaster relief support. To support child-headed households, we have budgeted **R150 thousands**. We will also be running a School competition on disaster risk reduction, to raise awareness on how to implement disaster risk reduction. The school competition will be funded for **R100 thousands**. We hosted the inaugural competition last week.

6. FINANCIAL VIABILITY

Our goal is that of reducing financial dependency and provision of sound financial management, and to achieve this we have to increase revenue generation and implement financial control systems.

We have signed a repayment agreement with Lepelle Northern Water in relation to the historic debt. We have budgeted an amount of **R146,2 million** towards that commitment. We have set aside **R50,2 million** in repayment arrangements with the Department of Water and Sanitation for the raw bulk water extraction.

In the coming financial year, we are also looking to set aside an amount of **R15 million** to repay the historic debt owed to local municipalities on losses incurred in the running of water and sanitation function.

But it's also worth noting that we have put in measures to address the challenge of water function between ourselves as the district together with the locals. We are working around ensuring that we separate the water and sanitation transactions in the local municipalities. In the not so distant future, we should be able to take-over the function as the current WSP arrangements with local municipalities is not working for both the district and local municipalities. It's a matter that the Auditor General has consistently raised with us.

We also continue to work on implementing the financial recovery plan as adopted by Council in November 2020. The recovery plan covers the following strategies:

- Restructuring the budget to restore the financial viability of the municipality
- Review tariff policies

- Implementation of revenue enhancement strategy
- Cash management strategy
- Human resource management which includes review of the current organizational structure and align capacity to improve service delivery
- Service delivery including water management and water losses

So, we are going to be prudent on our spending, but also have to strengthen collection on revenue owed to us. The municipality will be appointing a debt collector to assist in recovering the money owed to us.

IN CONCLUSION

Mr Speaker

We wish to thank the administration led by Mr Kgatla, the MM and all committees of council for your valuable contributions to this budget.

We are presenting here today a total budget of **two billion two hundred thirty-three million seven hundred seventy-five thousand five hundred seventy-eight (R2 233 775 578.83)** for the 2021/22 financial year.

It is therefore my singular honour to table the MTEF budget for 2021/22, the reviewed Integrated Development Plan, and the budget related policies to the council of Mopan District Municipality for adoption on behalf of the people of Mopani. We hold a strong view that this budget puts us on a correct path as we move together on this journey of growing our district.

Thank you