



SEKHUKHUNE
District Municipality

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Office of the Executive Mayor

**SPEECH BY THE EXECUTIVE MAYOR CLLR
MALEKE MOKGANYETJI DURING THE SPECIAL
COUNCIL TO DELIVER THE BUDGET SPEECH ON
FRIDAY, 26th OF MAY 2023 AT MONSTERLUS,
HLOGOTLOU STADIUM, ELIAS MOTSOLEDI
LOCAL MUNICIPALITY.**

Honourable Speaker, **Cllr Kgwediebotse Chego**,

Members of the Provincial Legislature...

The Chief Whip of Council **Cllr Johannes Phokane**,

Members of the Mayoral Committee,

Section 79 and Section 80 Committee Chairpersons,

Honourable Councillors,

Honourable Speakers of Local Municipalities,

Honourable Mayors of Local Municipalities,

Our esteemed Maapara Nkwe,

The **Secretary of the African National Congress** in the Sekhukhune Region,

Comrade Tala Mathope,

Leaders of the Tripartite Alliance,

Leaders of Opposition parties,

Esteemed guests,

Acting Municipal Manager **Mme Nancy Rampedi** and senior managers,

Acting CEO and Chairperson of Sekhukhune Development Agency

Representatives of organised labour,

Employees of our municipalities,

Our friends from the media fraternity,

Fellow residents of the mighty Sekhukhune District,

Honourable Speaker,

We meet here today to present the 2023/24 IDP/Budget, which is the most important economic policy and planning document, for the people of our district.

The IDP/Budget is taking place during the month of May which is also Africa Month. This year Africa Month is celebrated under the theme “**Acceleration of African Continent Free Trade Area implementation**”. The African Continental Free Trade Area is an ambitious trade pact aimed at creating a single market for goods and services of almost 1.3bn people across Africa and deepening the economic integration of the continent. The trade pact aimed at reducing unemployment, poverty, and inequality in Africa.

To what an extent are we contributing, as the municipality, to the fight against triple challenges of unemployment, poverty, and inequality?

Honourable Speaker,

We are tabling the 2023 Budget in a difficult domestic and global economic environment. The global recovery is slowing and is affecting everyone without any exception.

In the previous financial period, we presented a bright forecast on the district's economic indicators, thinking that the only menace in the form of Covid-19 would leave us so that we rebuild from where we had started.

We planned Integrated Development Plan (IDPs) and Local Economic Development (LEDs) with positive outlook, and we did not leave communities and their businesses behind in those plans and strategies.

It was with this outlook projection that the previous district administration will be remembered for its aggressive outreach programs, summits and imbizos that reached many communities, business, and institutions.

Even though growth was projected low to this current period, we had our eye on the ball regarding our grand **"Tlema Tekkie re nwe meetsi"** campaign, our focus on the SEZ (Special Economic Zone), Our TVET college upgrade as a Special Industrial Facility and many other strides made in various parts of our district. Meaning that we cannot afford to lose hope.

Honourable Speaker...

Domestically, load-shedding has become more persistent and prolonged, impacting on service delivery, and threatening the survival of many businesses and thus revenue for the district.

The national and provincial governments are under pressure fiscally and in trying to keep abreast with the global economic pressures. We have just witnessed the pressure and dilemma that our reserve bank contest within balancing consumption to banking interest rate; and we are continually witnessing fuel energy crisis and the exchange rate inequities together with national revenue collection failing to cope and balancing the situation.

However, Speaker and fellow councillors, I am comforted by President Cyril Ramaphosa's assertion at the 6th District Development Model Presidential Imbizo at the Drakenstein Municipality in the Western Cape, when he said, and I quote **" I remain confident that within the next few months and yes, within a year, we will have brought loadshedding down quite significantly and we will finally eliminate loadshedding in South Africa within the programme that we are putting in place"** end quote.

Speaker, this shows the commitment and urgency of which loadshedding is being dealt with by our national government.

Honourable Speaker...

We cannot hide or evaporate away from these problems. We should be steadfast and resilient at eradicating poverty, inequality, and unemployment; being our lifetime contract with communities the eradication of these is still as urgent today as was at the dawn of our democracy.

A growing economy is key to achieving this objective. Implementing growth-enhancing reforms is a crucial element of our growth strategy. Now the lack of reliable electricity supply is the biggest economic constraint hindering everyone to play a meaningful economic role.

Households are under pressure from the rising cost of living, and unemployment remains stubbornly high.

Economies everywhere around the country... be it National, provincial, regional, and local face significant risks. Uncertainty is on the rise. It requires us to do bold and extra-ordinary things; but honourable Speaker, sometimes extra-ordinary does mean 'doing what we can with what we have wherever we are!'

We have visualised many trade-offs that put the fear of failure aside and execute the difficult trade-offs needed to get from where we are now, to where we want to be in the future. The anticipated constraints and possibilities in this budget reflect these realities to act boldly.

This is to say that this **2023/24 Budget** realistically reflects this district government's priorities and thus prudently addresses and targets allocations for specific programmes and strategies.

This budget builds on the work done by this administration in the recent past.

It is a budget that gives expression to the strategy and policies of the Council, but it also demonstrates our ability to impact positively on the lives of our people however much the last cent or rand can spread.

In short, this budget is not just about numbers, but more importantly it is the instrument which facilitates positive change for all our diverse communities in this dynamic and less predictable external environment.

Honourable Speaker...

We are aware of our reliance on a variety of grants for our budget supplements especially when it comes to the expansion of infrastructure, improved service delivery and free basic services for indigent residents; therefore, with such huge dynamism and uncertainty trickling down on us from global to national, the district municipality will inevitably have to adjust to significant changes in national and provincial expenditure plans.

But make no mistake, we chose in this budget to tread carefully through this dark night of uncertainty; I am talking here of the uncertainties that sometimes are borne of opportunism and anti-austerity tendencies of others amongst us.

These are dark and negative impact that the large-scale theft and corruption is having on government. These also call for new ways that need to be explored to become more efficient with fewer resources.

With that in mind, we must constantly borrow from the fundamental strategies that provide navigating tools or policies that support sustainable growth and address fiscal risks.

As one poem says: **“do not go gentle into the good night”** ... We must revoke our strategy fundamentals of vigilance and accountability.

Sound financial management practices are the cornerstone of every municipality that wants to remain sustainable and continually provide services.

A municipality that has weak financial management is open to corruption and the misdirection of financial resources. This is a practice we should never allow.

Weak financial practices impact negatively on the planning and budgeting, revenue, expenditure management, procurement as well as reporting of the municipality.

As councillors, we have been elected to provide political guidance on the policy implementation. We are also here to play oversight role on the budget implementation and administrative arm of the municipality.

It is therefore extremely important for councillors to be judicious in making sure that this budget plays an integral role in changing the lives of our people.

Honourable Speaker,

In our first 100 days in office, we have managed to reduce expenditure on non-priority spending including uncontrolled overtime, travelling costs, security, and fleet management.

Addressing issues of non-spending on conditional grants is top priority for this administration. We are not going to tolerate non – spending on conditional grants as that is a historical injustice for the people of this district. These grants are there to make sure we change the social economic status of our people, and failure to spend these grants will results in consequence management.

For this municipality to remain sustainable and increase the scope of service delivery, it must reduce over-reliance on government subsidies and grants. While these subsidies and grants are essential and appreciated, we should be able to generate our own revenue.

This will not only help take services to areas where they currently do not exist, but we will be able to maintain functionality and operation of the existing infrastructure.

The review of a credible and implementable revenue enhancement strategy is now underway and will be implemented in the next financial year. This strategy will empower us to recover millions of rands that households, businesses, and government departments are currently owing us. We want to achieve this proactively and timeously, to avoid a costly accumulation. The recovery will help us to deliver better service to our customers. As government, we have a primary responsibility to provide social services. Those who receive them, if they afford, must pay.

ALLOCATIONS

Honourable Speaker

I now turn my attention to the budget allocation.

The Total Revenue Budget is **R1,800billion**.

Of this, **R1,273billion** is Total Operating Revenue.

The municipality has budgeted an operating surplus of **R169 thousand** in the 2023/2024 financial year.

The Total Capital Expenditure is at **R593million**.

Of the total capital revenue, **R551million** is from capital grants, while **R42million** is from the Sekhukhune District Municipality's own revenue sources.

The capital expenditure will be funded from the MIG, the RAMS, and own sources.

DEPARTMENTAL BUDGET ALLOCATIONS 2023/2024

The Office of the Speaker has been allocated **R52,392m** to fulfil its mandate of ensuring the legislative arm of the municipality remain functional.

To enhance the functions of the Executive Mayor, which are not limited to promote and protect the constitutional status, institutions, powers, and functions of the co – operative governance and intergovernmental relations, **the Office of the Executive Mayor**, has been allocated **R46,344m**.

A total of **R98,043m** is allocated to the **Office of the Municipal Manager**, to enable proper implementation and supervision of the service delivery projects among many other duties.

MMC Jan Mohlala, your **Budget & Treasury Department** has a crucial role of ensuring the public funds are spend in a cost-effective way. To enable you to perform this and other important roles, your portfolio will receive **R193,248m**.

MMC Baatseba Leshaba, you have a big responsibility of growing the local economy and create income opportunities for the people of Sekhukhune. Your portfolio, the **Department of Planning of Economic Development**, has been allocated **R21,926m** to create a conducive environment for an inclusive economy in our district.

MMC Orginia Mafeke, your **Community Services Department** is tasked with the responsibility of providing emergency services to our communities. But this department also has a monumental responsibility of ensuring that our district adheres to the policy imperatives of mitigating against climate change. A total of **R77,608m** has been allocated to your department.

The **Cooperative Services Department** under **MMC Frank Ratau**, has been allocated **R191,893m**. A well capacitated human resource is essential to provide a proper administrative function.

MMC Bella Kupa, together with your two deputies, **MMC Meriam Malatji**, and **MMC Lizzy Lekoatsipa** your portfolio, the **Infrastructure and Water Services Department** is receiving the lion's share of the budget.

This is because the mandate of the IWS Department, which is primarily to provide water and sanitation services to the people of Sekhukhune, is the heartbeat of this district municipality.

You have your work cut out for you. The water related challenges faced by our communities are massive.

We have therefore allocated **R553,974m** to the IWS department. This is nearly half of the municipality's total revenue expenditure.

We are aware it is not sufficient to eradicate our historical backlog overnight. But we believe it will nevertheless make meaningful changes in our communities.

The Sekhukhune Development Agency has potential to position our district as an investment destination.

The agency, as an entity that is entirely owned by the district municipality, is currently dependent on the shareholder for its operations.

This is not ideal.

Our desire is to see the SDA that is self-sustainable, to a point where it funds capital projects of the district municipality.

However, we have decided to increase the SDA's budget allocation to **R9,341m.**

This will enable the agency to appoint key personnel such as the CEO, finance manager and company secretary on full-time basis, who must propel it to becoming an effective entity that lives up to expectations.

Honourable Speaker,

Allow me to give feedback and plans to this august house about near completion water scheme projects and the 2023/24 targeted water projects.

2023/2024 financial year bulk scheme projects to be implemented.

Moutse East and West Water Reticulation phase 1

We have appointed a consultant for this project and work is continuing.

The Scope of this project is Reticulation of 369km pipeline, installation, and refurbishment of 136km bulk pipeline, refurbishment of storage and installation of steel tank storage and refurbishment of pumpstations.

The Villages that will benefit from this project are - Mzimdala, Elokhishini, Marapong, Ntwane and Thabakhubedu.

This projects id Estimated to be complete in 12 months.

Moutse East and West Water Reticulation phase 2

we have appointed a consultant and currently work is in progress. Honourable speaker, once this project is completed the villages to benefit are Lusaka, Ten Morgan, Five morgen, Phukukane, Magakadimeng, Mpheleng and Ga- Matlala

Groblersdal to Luckau Bulk Water Supply phase 1

The scope here is the upgrading of pumps and electrical upgrades at Groblersdal Water treatment works.

We are going to construct 21km of bulk pipeline from Groblersdal to Tafelkop. We have appointed a consultant and Project Managers. The progress report here is that the consultant has finalised the detailed designs and currently busy with Tender documentation.

Groblersdal to Luckau phase 2:

Phase 2 is in the process of registration and the designs will be finalised next financial year. This is what we call forward planning. We are already planning for the future of this project as it will help with providing sustainable water from Groblersdal to Luckau. We are experiencing a lot of challenges currently on this bulk line with regular pipe burst and aging infrastructure.

Honourable Speaker, and fellow councillors.

Ga-Malekana Regional Water Supply Phase 2

The Scope of this continuous project was to construct:

- 2xConcrete reservoirs

- 4xGround steel tank (403KL at Mpana), (294KL at Maepa), (294KLRatau) and 305 Elevated Steel tank at Maseven.
- Gravel access roads to the reservoirs
- Construction of 29km gravity mains steel pipelines,
- 253km of reticulation
- 8231 unmetered Yard Connections and
- Kutullo Package Water Treatment Plant system upgrade

The overall physical progress on this project is 53% and it is anticipated to be completed by the end November 2023.

The estimated expenditure on this continuous project for the financial year 2023/2024 is R107 Million

The villages to benefit from this project are.

Maepa, Ratau, Mphana, Makua, Ga-Malekana Ga -Masha, Rantho Ga-Maphopha, Maseven and Kutullo

Honourable Speaker,

These are some of the water projects are thought I should mention which will be funded by this budget, of course there are many more water projects and if I spoke about all of them, we would be here the whole day.

Rest assured, soon I will be embarking on a district wide tour with the sole aim of unpacking the budget to the people of Sekhukhune, and I will be using our local radio stations to interact with our people regarding how this budget will impact their lives.

Honourable Speaker,

In conclusion,

Since some of our actions have yielded progress, we can be assured that we will manage to do all we could through testing times. The ever-challenging times also mean new beginning within struggles in a global and national setup. And we must accept that.

Perseverance is not an issue of talent or skill; it is about carrying the ability to start afresh and finish right. Like I have said in the beginning- some groundwork for progress has been laid to manoeuvre into the future. Now is the time for all of us to take our share of responsibility for a response to challenges that lie before us.

We must refrain from showing courage only in difficult times but to use it as an everyday virtue. Getting ahead in a difficult economic hardship require passionate faith in ourselves and systems. So as a district let us not be defined by our circumstances. Let us redefine our circumstances by doing what is right.

So, in every local sphere within Sekhukhune, all the leadership, all communities including business, may we be willing to leave our comfort zone and bravely keep striving to reach the other side we thought was beyond us.

Already each one of us, especially the council and many other government officials must have a common understanding of all matters performance to make us a successful municipality. But except your performance at whatever you do, teamwork is always at the forefront. Whatever your vision or desire, teamwork makes the dream work. So let us make a compact that multiplies the perspective on how to meet or reach our goal. So as a leader, I made an oath to join everyone in this municipality to plan together and strive to achieve what we collectively believe will work.

Once again, I invite everyone thinking solo, either as an individual, interest group and perhaps a party to work with us to turn things around. And I so believe that things can turn around for the better starting with a situation that is challenging and seeming dire.

Honourable Speaker,

Let me end by quoting on of history favourite son, and the 44th President of the United States of America, President Barack Obama in his critically acclaimed book – **The Audacity of Hope**. And I quote **“Make a way out of no way”** end quote.

Honourable Speaker, fellow councillors, guests, and the people of Sekhukhune -

Therefore, in terms of the powers vested in me by Section 16, sub-section 2 of the Municipal Finance Management Act, I present this annual budget for 2023/24 to Council for approval.

I thank you.