

## **BUDGET SPEECH FOR 2009/10 FISCAL YEAR: DELIVERED BY THE HON. MAYOR.**

### **MS. KR PHUKUNTSI**

Mr. Speaker, Councillor, Ladies and Gentlemen,

Human progress is neither automatic nor inevitable, we are faced now with the fact that tomorrow is today. We are confronted with the fierce urgency of now. In this unfolding conundrum of life and history, there is no such a thing as being too late. Procrastination is still the thief of time. Life often leaves us standing bare, naked, and dejected with a lost opportunity. The tide in the affairs of men does not remain at flood -- it ebbs. We may cry out desperately for time to pause in her passage, but time is adamant to every plea and rushes on. Over the bleached bones and jumbled residues of numerous civilizations are written the pathetic words, "Too late." There is an invisible book of life that faithfully records our vigilance or our neglect, this are the words ladies and gentlemen uttered by Martin Luther King Jr. on April 4, 1967, at a meeting of Clergy and Laity Concerned at Riverside Church in New York City

Mr. Speaker the course ahead of us will be somewhat tougher. As we present where we are now, we must tell Tswelopele Citizens and the people of Free State that our ship is stronger and we are better prepared than during previous episodes of global turmoil.

We are all in this together, business and community organizations, labour and government, the employed, self employed and the unemployed, the urban and the rural, men and women, we may not all be affected in the same way, but we face the same dead winds of uncertainties. None of us has the privilege of perfect foresight; none of us is isolated from the tides turbulences of global markets.

Speaking at SALGA conference on April 25, 2007, our former Finance Minister, Mr. Trevor Manuel said " Gathered here today are the men and women whose actions (or inactions) touch the lives of all South Africans. You do this through the policies you make. You touch people's lives through the decisions you take on how to spend the Budgets you pass every year. You affect lives through the by-laws and regulations that you pass from time to time. So you have power. Your action can change things for better or for worse. Through your actions you can protect the poor and by failing to act you can cause irreparable harm to the most vulnerable." As we consider this budget it is important that we remind ourselves of the mandate bestowed on us by the Constitution of our country. Amongst other things, the Constitution enjoins us to:

- Provide democratic and accountable government for local communities
- Ensure the provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment; and
- To encourage the involvement of communities and community organizations in the matters of local government

The Constitution further imposes an obligation on us to strive, within our financial and administrative capacity, to achieve the developmental objectives set out above. Therefore, as we proceed to approve this budget we are called upon not to lose sight of the

developmental agenda of local government and the responsibility we carry on our shoulders to make our contribution in the Effort to bring about a better life for all our people. The budget we are tabling for approval today is the tool that will guide us in becoming responsive to the needs of the communities we serve.

### ***Overview of the Budget Process for 2009/10 Financial Year:***

The budget process is a process that local government MUST undertake to ensure good governance and accountability. The process outlines the current and future directions that the municipality would follow in order to meet legislative stipulations.

The budget preparation process was guided by the following legislative requirements:

- Municipal Finance Management Act
- Municipal Systems Act
- Municipal Structures Act

The Budget process started with the approval of Budget timeline in the council meeting in August 2008. During September all departmental heads were asked to submit their inputs before the end of November 2008, the draft was prepared and tabled to council on the 31 March 2009, and according to Section 22 of the MFMA, act no. 56 of 2003, the Municipality must after the tabling of the draft budget consult the local community for their inputs and recommendations, this process was undertaken, and the communities of Tswelopele responded positively and as council we would like to thank the community for fully partaking in the budget processes.

### ***Alignment between National and Provincial priorities***

Tswelopele Local Municipality development plan needs to align with National and Provincial initiatives to ensure optimal impact from the combined efforts of government.

The following priorities are part of National Government's framework to enhance the social, cultural and economic welfare of all South Africans:

- Enhancing quality of education
- Sustaining employment growth through increased public investment spending
- Improving provision of healthcare and broadening programmes tackling HIV and Aids
- Reducing the levels of crime and enhancing citizen safety
- Increasing access to basic services

Provincial Priorities are:

- Fighting Poverty
- Reducing Crime
- Implementing a comprehensive response to HIV and AIDS

## Local Priorities

- Improve municipal Infrastructure
- Improve Service delivery
- Fight poverty
- Improve skills development

This budget and many government programmes and plans contribute to the raising growth potential in the future. Our investment in physical infrastructure, education, skills research and development, fighting crime and contributing to regional peace are aimed at improving our growth prospects over broadening opportunity, we will grow even faster with equitable outcomes. In his recent book on social democratic policy challenges, Harvard academic Roberto Anger, now the Minister in Brazilian cabinet speaks of the need to energise democracy by confronting the interplay of global and local forces and building the capacity to negotiate from position of strength by mobilizing resources of knowledge and national capabilities.

Our high rate of unemployment remains our great challenge, but our response to the unemployment challenge needs to be better coordinated. This is the centre of our war against poverty. In particular, efforts to increase employment of young people have to be intensified and skills development better focused.

Tswelopele Local Municipality is confident that this budget is structured to give effect to the strategic priorities and support long term sustained growth and development, in line with National and Provincial objectives:

The following are some of the key project that impact positively in the lives of the residents of Tswelopele Local Municipality:

PROJECT	R
Poverty Alleviation	R 32 000
Pauper Funerals	R 140 000
HIV/ AIDS Campaigns	R 35 000
OR Tambo Games	R 220 000
Free Basic Services (Water, Electricity, Refuse, Sewerage)	R 14 100 000
Disaster Management	R 60 000
Rehabilitation of Roads	R 300 000
Maintenance of Electricity Network	R 1 175 000

### ***Highlights during 2008/09***

#### **Financial Position**

Tswelopele Local Municipality once again received an unqualified audit opinion for the 2007/08 financial year, meaning that financial performance and cash flow as reflected in the financial statements fairly present in all material respect the financial matters of the municipality.

## **Cleanest Municipal Awards (CMA)**

Tswelopele Local Municipality won the cleanest municipal award, an a prize money of R 500 000 was given to the municipality, this price money will be used to develop the environment of Tswelopele to be more conducive to human habitation,

## **Establishment of Tswelopele Local Municipality Traffic Unit**

During 2008/09 Tswelopele Local Municipality established a Traffic Unit, there is currently one Traffic Officer and one employee has been sent to a training at Matjhabeng Traffic Training Academy, this means that during this fiscal year there will be two officers operating in the jurisdiction of Tswelopele. The Main purpose of the traffic officer is to enforce currently available by laws, for example, the impoundment of stray animals.

## **Implementation of Municipal Property Rates Act**

As per the legislation Tswelopele Local Municipality must implement the provisions of the Municipal Property Rates Act. The final policy and the by laws will be approved by council during special council meeting on the 28<sup>th</sup> May 2009. This process was one of the toughest that the Municipality faced, but through you the process went smoothly and Council will start implementing the new regulation of the act on the 1<sup>st</sup> July 2009.

## **Budget Highlights**

- In the capital budget there is only one project budgeted, New Sewerage treatment plant in Phahameng, Bultfontein, this project is funded out of MIG funds, the value of this project is R 18 649 000.
- MFMA circular 48 guided us in budgeting for 25% increase from last year budget on bulk electricity purchases, Audit fees also increased by 35.1%.
- Equitable Shares increased by 28, 9% from R 29 753 934 to R 38 340 000, this will help council in carrying out its mandate and providing free basic services to indigents through the council's indigent policy.

## ***Budget***

### **Operating Budget**

Tswelopele Local Municipality budget for an income of R 77 054 580

The main sources of Income are:

- Service Charges
- Grants and Subsidies
- Rates and Taxes

The municipality budgeted for an expenditure of R 77 054 580,

The main expenditure items are:

- Salaries and Wages
- Bulk Purchases ( Electricity and Water)
- General Maintenance

To achieve the above, council has proposed a 7.5% increase in the electricity tariffs.

## **Capital Budget**

Tswelopele Local Municipality capital budget is R 22 289 700

The capital budget is funded from the following:

- Municipal Infrastructure Grant : R 18 649 000
- Internally Generated Funds : R 280 700
- Capital Replacement Reserve: R 3 110 000
- Cleanest Municipal Award Prize Money: R 250 000

## **Conclusion**

Each budget that we have presented to this council has been different. The important shift this year is that the global economy has changed; economic trends do not stop at the border post they come with no passports, and have the potential to wreck havoc, even when plans have been carefully laid.

Mr. Speaker, to synthesis a budget that will stand up to scrutiny requires an ability to take advises from many quarters to analyze and test them.

Amongst the sources of ideas is the broader public consultation and engagement in the process and taking ownership of the budget. This year all stakeholders shared their ideas with us, and I can assure you their inputs were taken into consideration.

After having considered all the proposals, I am privileged to present this budget as a statement of collective of Tswelopele Local Municipality responsibilities.

The staffs in the Municipality are a wonderful group of people who give more than what is requested or expected of them, to all of them a huge thank you.

I also want to send my appreciation to the following bodies and persons,

- National Treasury
- FS Provincial Government
- DBSA
- Lejweleputswa District Municipality
- The Municipal Manager (Mr. KJ Motlhale)
- Chief Operations Officer (Mr. PW de Bruin)
- Chief Financial Officer (Mr. JW Young),

- Executive Manager Community Service (Mr. M Mahlanyane)
- Executive Manager Corporate Services (Mr. SS Rabanye)
- Technical Officers
- All heads of Departments
- Councillors for their co-operation during this process
- The Community of Tswelopele for their undivided support,

Last but not least I want to thank my long suffering family, my mom, my brothers and sisters, my kids, and also all of you here who are listening and engaging, thank you very much for your patience.

Let the people benefit as outlined in the freedom charter.

I hereby table the detailed Budget of Tswelopele Local Municipality for the fiscal year ending 30 June 2010 for your consideration.

I thank you