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**THE BUDGET SPEECH OF HER WORSHIP, THE EXECUTIVE MAYOR OF  
MOTHEO DISTRICT MUNICIPALITY, CLLR M.E MOILWA, PRESENTED  
ON 25 MAY 2010, AT TWEESPRUIT, MANTSOPA LOCAL MUNICIPALITY**

His Worship, the Mayor of Mantsopa Local Municipality, Cllr  
Ntsepe.

His Worship, the Executive Mayor of Mangaung Local Municipality,  
Cllr Morule,

His Worship, the Speaker of Motheo District Municipality, Cllr  
Erasmus

Her Worship, the Speaker of Mantsopa Local Municipality, Cllr  
Majara

His Worship, the Speaker of Mangaung Local Municipality, Cllr  
Stander

His Worship, the Chief-Whip of Motheo District Municipality, Cllr  
Moeng.

His Worship, the Chief-Whip of Mantsopa Local Municipality, Cllr  
Tsoene

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His Worship, the Chief-Whip of Mangaung Local Municipality, Cllr Sefuthi

The members of the Motheo Mayoral Committee,

The members of the Mantsopa Council,

The members of the Mangaung Mayoral Committee,

Councillors Present,

Administrator Naledi Local Municipality, Mr Tukani

The Esteemed Municipal Managers and Senior Managers Present.

Esteemed Religious and Traditional Leaders Present,

Our friends in the Media,

Distinguished Guests,

Ladies and Gentlemen,

Mr Speaker,

We are gathered here today to mark the official presentation of our Integrated Development Plan and budget vote of our district municipality, Motheo. Accordingly, it is these and other occasions of this nature where all our resources and energies are summoned and charged to step up the fight to improve the living conditions of all our people, especially those whose glimmer of hope has been banished by unspeakable conditions of hopeless poverty.

On such a similar occasion earlier this year, we tabled before this house an elaborate strategic plan outlining our sense of purpose and collective work in the implementation of our IDP and Expenditure Framework benchmarked against our Municipal Turn-around Strategy. We concluded that any mobilization of resources

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is primarily centred on effective and optimal planning, intent on maximizing a process of social transformation to improve the living conditions of the majority of our households in the district.

Once again, we are gathered here today to declare before you that with every ounce of strength in us, never shall we abandon our pledge to expand the frontiers of a better life to you, our people. Like a midwife and bearer of good hope, optimism and courage, we have come to deliver pleasant news to the expectant ones that yesterday was a foreign country, today is our tomorrow's future. Indeed, despair has eventually altered what seemed to have been its permanent habitation.

Borrowing from one great African Philosopher who once remarked and I quote,

“We yearn for a society that is filled with able-bodied men and women who could build rain water collecting units on roof tops and in the fields, to bring about a desirable societal environment, filled with job opportunities, love, peace and security for all.”

It is this noble ideal which must always give us strength and courage to remain selfless in bringing about a society of able bodied men and women, who will spare nothing in order to ensure that there is shelter over our heads, there is food for the hungry and there is hope for tomorrow.

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Motsamaisi wa dipuisano, re kopane mona kajeno ho tla teka pontsheng ya lona marang rang a maano a kenelesteng a ntshetsopele le di tekanyetso tsa ditjhelete tsa setereke sa rona Motheo selemong sa 2010-2011. Ke tlootlo e kgolo ho rona hobane ke sesupo se phethahetseng sa selekane se thehilweng ho kutlwisiso ya rona, hore “Mmoho re tla sebetsa ho potlakisa di phetoho maphelong a rona”

Re lebohela monyetla o le refileng ona ho tla mona e le ho teeka ka pele ho lona boitlamo ba hore sena ke selekane seo re ke keng ra se kwenehela. E leng sona selekane sa ho netefatsa ho re ho be le marulelo dihlohong tsa rona, ho be le dijo ho le phako le ubang, le tshepo bokamosong. Sena ke selekane se ithehileng ho dima polelo e entsweng pejana ke Mo-Premier wa rona Ntate Magashule hore, re tshwanela ke ho Hlasela Bofuma maphelong a batho boohle, ha holo ba dikojana di ma hetleng. Selemong se na se hodimo sa ditjhelete, re entse tsohle re tsepamesitse maikutlo a rona leanong lena la ho sebetsa ka boitelo le maatla ho hlasela bofuma, tlhokeho ya mesebetsi le twantsho ya bohloko ba HIV/AIDS.

Mr. Speaker, we are meeting today exactly fifteen days before the official kick off of the FIFA 2010 World Cup on our very own soil. We are humbled that we can be counted among the many in our country in the count down of this epoch making event, echoing one telling message, “Feel it, it is Here”, indeed, it is here because we can all feel it. We wish our national team the best of luck in their

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quest to conquer the world in the field of soccer, as we have done and continue to do in various areas.

Mr Speaker, there is indeed no doubt in my mind that the figures that we will present here today reflect a growing commitment on our part in developing and investing in our people. From the time the ANC led government took over the reigns in 1994, our ability to position government structures to meet and confront the challenges of poverty and underdevelopment has been growing from strength to strength.

We have walked from strangeness to familiarity, from doubt to trust, from apprehension to confidence, from restraint to democracy and from division to unity. And here we are today, “re le ngatana’nngwe”, we are one, united nation.

These illustrations are an acknowledgement that we had moments of tensions and near breakdown in human and other relations, but as that great son of the African Diaspora, the African American Booker Washington said in his writings,

*“In matters of little or no real value, we may be divided like the fingers of an open hand, but in matters of significance and worth, we must be united like fingers in a fist.”*

Indeed, this budget is an embodiment of a firm basis of our unity in action in matters of real value to our people.

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## **On Background to the Budget**

In terms of Section 24(1) of the Municipal Finance Management Act, Act No. 56 of 2003, it is stated that the municipal council must at least 30 days before the start of the budget year, consider approval of the budget.

As Motheo District Municipality, we committed ourselves to comply with the relevant legislation as we strive towards an unqualified audit opinion. In the compilation of the 2010/2011 budget, all relevant legislation and prescriptions have been complied with.

The main objective was to keep the levels of expenditure within the inflation targets and revenue allocation for the 2010/2011 financial year as promulgated in the Division of Revenue Act.

## **On Operational Budget**

The total Operational Budget for the Motheo District Municipality was based on the Medium Term Revenue and Expenditure Framework (MTREF) as adopted by council. The projected revenue of R159,409 million for the 2010/2011 reflects an increase of 4.91% when compared to the previous financial year.

The increase can directly be attributed to the increase in grants allocated to the Motheo District Municipality. As a result, spending

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can be focused on the IDP strategic priorities with an overall increase in spending of 10.23% on IDP strategies and 1.67% on the Administration budget.

## **On Revenue**

The total budgeted income for the 2010/2011 financial year is R159,409 million. This figure represents an increase of 4,91% compared to the 2009/2010 financial year. Revenue mainly consists of grants received from National Treasury in the form of the Levy Replacement Grant (85,4% of total revenue) and the Equitable Share allocation (10.15% of total revenue). In addition to these grants, the Motheo District Municipality receives other conditional grants from National treasury such as the Local Government Finance Management Grant (FMG), the Municipal Systems Improvement Grant (MSIG) and the Extended Public Works Program (EPWP) Incentive Grant.

Income generated internally mainly consists of interest on investments. An amount of R4.475 million is budgeted for based on the projected cash flow for the year.

## **On Community and Social Development**

As government we pledge to reduce poverty and unemployment as part of our Millennium Development goal. In an attempt to confront these challenges, we identified a strategy on development

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of people. An amount of R22,185 million is budgeted for in this financial year towards the development of people, decreasing by 5,34% compared to the previous year.

The Environmental health service is one of the district's core functions. In ensuring that the district is able to perform this function, an amount of R10,3 million was budgeted towards Environmental Health services. We hope that this allocation will be sufficient to meet the requirements of the service.

Mr Speaker, to be able to uplift the community and the environment they live in, we have allocated an amount of R1,41 million to Environmental Management programmes under the Directorate: Social Development and hope it would be further supported by other votes related to the IDP.

As a district, one of our functions is to coordinate disaster management. This would be done with an objective of ensuring the safety and security of our people. Therefore an amount of R1,5 million would be allocated for securing a safe and secure environment through the disaster management unit, representing a decrease of 12.54% on the previous allocation of R1,715 million.

### **On Special Programmes**

These programmes are given priority to ensure the development of youth, upholding the rights of children, ensuring care for the aged,

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supporting the disabled and ensuring equity in terms of gender representation is obtained. Most importantly, these programmes are aimed at providing information, care and support to people living with and affected by HIV/AIDS in our district.

Taking cognizance of the importance of these projects, we have allocated an amount of R1,976 million to programmes on HIV/AIDS, R1,465 million to youth programmes, R250 000 to the Disabled and R650 000 to gender related programmes.

Chapter 4 of the Municipal Systems Act 32 of 2000 emphasizes the importance of public participation in activities of the council. This ensures the democratic practice in terms of governance. Therefore, we have allocated an amount of R1,17 million to public participation in 2010/2011 budget and hope it would be further supported by other votes related to the IDP.

Mr. Speaker, unemployment and poverty are issues that require joint efforts and special focus. These are also budgeted for through Local Economic Development. However, we have further allocated an amount of R2 million to the Mayoral Administration fund for poverty relief support.

## **On Economic Development**

One of our responsibilities as the District is to ensure the economic growth and development, create jobs and reduce poverty through the Local Economic Development. In line with the need to

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empower the SMMEs, create job opportunities and build sustainable economy.

LED, Tourism, Agriculture and other sectors were identified as areas that would assist in the growth of the district economy; the department is therefore allocated an amount of R8,45 million to ensure the realization of these objectives. It is our view that, special focus has to be given on improving the conditions of our people in rural areas in all respects.

### **On Infrastructural Development**

Mr. Speaker, we need to upgrade our roads; reduce levels of crime, ensure friendly environment through sanitation, improved rubbish free environment and water supply amongst others.

Sanitation therefore became our first priority as a district, in ensuring the realization of meeting all our objectives; an amount of R17,764 million is committed towards the realization of this objective for the next financial year.

### **On Allocation to Local Municipalities**

As we did say, our function as a district is to support local municipalities and accordingly we have allocated R30 million to our local municipalities towards infrastructural projects and rural development.

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This amount will be distributed as follows: -

Mangaung Local Municipality: R6 million,  
Naledi Local Municipality: R12 million, and  
Mantsopa Local Municipality: R12 million.

The allocation is informed by projects identified by local municipalities and are therefore incorporated in our District Integrated Development Plan.

As much as we made allocations to our local municipalities towards their IDPs, we also have the district IDP projects that are allocated an amount of R32,31 million in order to ensure an improved service delivery and better the lives of our people.

### **On Good Municipal Governance**

Mr. Speaker, the Motheo District Municipality's role and function is to provide, support and coordinate services to the community. In order to ensure the realization of good municipal governance principle, an amount of R4,255 million is allocated for this function.

This total allocation will be directed at institutional programmes with an allocation of R3,255 million, and the expenditure on Conditional Grants to the amount of R1 million for 2010/11 budget.

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## **On Employee related cost**

The amount budgeted for this expenditure subsection has increased by R1,66 million to R57,94 million in 2010/2011 financial year. This represent 2.95% increase compared to the 2009/2010 budget as adjusted and 36,35% of the total operating budget.

The reason for this lower that expected increase is that Council resolved not to fill any vacant positions as Motheo District Municipality will be disestablished by 30 June 2011. Employee related costs therefore only reflect the salaries of officials currently employed, inclusive of an anticipated annual general increase of 8% per annum.

## **On General Expenditure**

General expenditure has decreased to an amount of R23,16 million that represent a decrease of 2.84% on the 2009/2010 budget.

## **On Repairs and Maintenance**

In order to ensure that all assets are kept in a good working condition an amount of R1,4 million is budgeted for repairs and maintenance in this financial year.

## **On Capital Charges**

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The outstanding balance on a loan taken up with the Development Bank of South Africa (DBSA) to fund electrification and sanitation project in the Southern Free State amounted to R34,8 million as at 31<sup>st</sup> of March 2010. The interest and redemption payable on this loan for the 2009/2010 financial year will amount to R8,03 million.

All possible efforts will be made to obtain additional funding from external sources to fully redeem the loan by the end of the 2010/2011 financial year.

### **On Financial Management**

The Annual Financial Statements for the period ending 30 June 2010 will be drawn up in terms of Generally Recognized Accounting Practice (GRAP). The budget has been drawn up to meet these standards.

As the Municipal Finance Management Act, (No. 56 of 2003) was promulgated; the Finance Directorate of Motheo District Municipality has implemented all relevant sections as required. This Act is the main driving force regarding municipal finances and a significant effect will be laid on the financial management.

The Motheo District Municipality has an excellent record with its creditors. No trade creditors exceeded 30 days limit. The only creditors that are kept on the ledger are those in respect of projects retentions and sureties.

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In Conclusion,

Mr. Speaker once again it is only appropriate to dedicate this budget to the people of the district in general on whose mandate we speak. To those pessimists, who expect us to fail, observing cynically that many a time we have tried to become one but failed, that we have tried to meet head-on the challenges of underdevelopment but with little speed, must learn to accept that a season of hope is steadily descending in the horizon. Sadly Mr. Speaker, this budget is presented during the year which marks the end of a five year term of the current elected political representatives in the district council, heralding yet another era of local government elections in 2011. We indeed have an obligation to ensure that the foundation laid by this leadership during its tenure provides fresh impetus to the ideals of a better life.

Today my mind races back in time when I was elected to serve in this Council, in an event that abruptly began a tenure of selfless dedication in public service. Perhaps the time has inevitably come for us to hand the custody of this tribune of people's power over to a new generation of leaders, in a relay that started in 2000, in whose ceaseless procession I had the privilege to partake.

The continuing challenge is to ensure that we develop the requisite capacity to translate available resources into instruments with which to confront problems of poverty and underdevelopment in

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our communities. Among others, we must applaud government's Municipal Turn around Strategy which is geared towards creating an enabling mechanism for local government to be able to meet its constitutional mandate.

One of its premier objectives is to increase the capacity of local government in the area of strategic planning. Among others, national and provincial government together with key partners and stakeholders outside government must cooperate to find new creative, practical and impact orientated modes of supporting local government. Such an intervention will make a positive impact on the way we meet such challenges as public participation, monitoring and review of our programmes and creating conditions for sustainable service delivery and economic development.

Indeed Mr. Speaker, today mind races back in time when I was elected to serve in this council in an event which suddenly presented a season of hope for our people. I am therefore certain that such a flicker of hope has gradually chased away what seemed to have been a permanent shadow of gloom. Steadily, the season of harvest is approaching in the horizon!

I now would like to present the recommendations for the adoption of the 2010-2011 Integrated Development Plan as well as the Budget for both our operational and capital expenditure before this august house.

I thank you!

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