

STATE OF THE DISTRICT AND BUDGET VOTE SPEECH BY HIS WORSHIP CLLR MORRIS MATABOGE  
THE EXECUTIVE MAYOR OF WATERBERG DISTRICT MUNICIPALITY DURING THE ORDINARY  
COUNCIL MEETING HELD ON THE 30<sup>TH</sup> MAY 2017 AT WATERBERG DISTRICT COUNCIL CHAMBER  
AT 14H:00

*Madam Speaker,  
Local Mayors present, Speakers and Chief Whips,  
District Chief Whip Cllr Tsebe,  
Mayoral Committee Members,  
Magoshi a rena led by the Chairperson of the Local House of Traditional Leaders Kgoshigadi Taucatsoala,  
Fellow Councillors,  
Chairperson of the Audit Committee, Mr. Ngobeni,  
Acting Municipal Manager Ms Mabore Mampa and her Colleagues,  
Officials and Senior Management of the District Municipality,  
Representatives from SALGA,  
Members in the Gallery,  
Members of the Media,  
Distinguished Guests,  
Ladies and Gentlemen,  
Thobela !*

Madam Speaker, we are meeting here today as we conclude the celebrations of Workers` and Africa Month in remembrance of those who played a major role in our struggle for liberation and the war against colonialism and exploitation.

South Africa celebrates Africa Month under the theme: **“The Year of Oliver Tambo: Building a better Africa and a Better World”**. The month is an opportunity to promote African unity, deeper regional integration and recommit Africa to a common destiny. The annual commemoration of Africa Day on the 25<sup>th</sup> of May marks the founding of the Organisation of African Unity (OAU) in Ethiopia’s Capital Addis Ababa in 1963.

Today known as the Africa Union (AU), the organisation promotes greater unity and solidarity between African countries. The AU is at the forefront of peace, security and stability on the continent.

Madam Speaker, a focal point of this year’s Africa Month programme is to create discussion platforms for South Africans, in particular local communities, to engage in conversation within the broader theme of decolonisation.

This year Africa Month celebrations coincide with the centenary of struggle stalwart Oliver Reginald Tambo who epitomised the struggle for liberation. Tambo was instrumental in rallying support, assistance and solidarity against the oppression of colonialism and apartheid on the continent.

OR Tambo was an outstanding revolutionary, internationalist, the strategist and architect of our national struggle. He is the hero of our liberation struggle who shaped the country’s vision, mission and value system. He mobilised and united the national, continental and international forces whose sustained action led to the collapse of apartheid. It is for us to emulate O.R. Tambo by sharing his ideas and delivering quality services to our communities.

Madam Speaker, we are also gathered here today during this month which also marks ten months in office of the current council. It will be important also to reflect on the highlights and challenges since we occupied our offices in August 2016 and present future plans to circumvent same.

Local government is and will always remain the implementing agent of government transformation and delivery programmes. Two parallel and mutual reinforcing roles of local government are sustainable creation of an environment for economic development and empowerment of local communities.

The primary vehicle for carrying out these roles is the provision of service delivery. It is therefore the responsibility of local government to create the necessary capacity to be able to deliver the required services. All these can be achieved through the involvement of all local government stakeholders in the integrated planning process.

The Integrated Development Plan (IDP) is a management tool for assisting municipalities in achieving their developmental mandates. Every municipality is required to develop and adopt its IDP following the legal framework documents as provided in various pieces of legislation.

Section 51 of the Constitution of the Republic of South Africa, provides for developmental local government to make provision for a democratic and accountable government for communities. It also encourages municipalities to ensure the provision of services to communities in a sustained manner in order to promote social and economic development, whilst the White Paper on Local Government views IDP as a way of achieving developmental government and intending to:

- Align scarce resources around agreed policy objectives,
- Ensuring integration between sectors and stakeholders in local government,

- Ensuring transparent interaction between municipalities and communities and thereby making local government accountable.

On the other hand, the Local Government Municipal Systems Act No. 32 of 2000 requires the municipality to undertake developmental oriented planning so as to ensure that it strives to achieve the objectives set out in the Constitution.

The Act further requires the municipal council within a prescribed period after the start of the elected term, to adopt a single and inclusive strategic plan for the development of the municipality which:

- Integrates, co-ordinates and takes into account proposals for the development of the municipality.
- Aligns the resources and capacity of the municipality with the implementation of the plan,
- Are compatible with the provincial and national plans and planning requirements which are binding on the municipality in terms of legislation.

There are however, other pieces of legislation that gives effect to the encouragement of integrated planning within the spheres of government such as:

- The Traditional Leadership and Governance Framework (ACT 41 of 2003)
- Intergovernmental Relations Framework (ACT 13 of 2005)

The IDP must address the needs of the people in their area of jurisdiction, draws in stakeholders and other spheres of government, plans for infrastructure and Local Economic Development.

Our IDP should take into account the existing conditions, problems and resources available for development. It must set out a framework of how land must be used, what infrastructure and services are needed and how the environment should be protected.

In compliance with the Municipal Systems Act, and as part of the annual IDP review, municipalities are further required to prepare Strategic Planning Sessions to reflect on the vision, mission and values of the institution and further verify if they are still relevant given the current socio and economic dynamics within the district.

The Waterberg District Municipality held this important session on the 2<sup>nd</sup> and 3<sup>rd</sup> March 2017, and we were able to vigorously reflect on the Vision, Mission and Values of the institution. The Strategic planning session also resolved on Strategic objectives and projects for the next three years which will be reviewed annually as and when the need arises.

Madam Speaker, as the current leadership of the Waterberg District Municipality we are presenting today the following as part of the highlights of the institution on projects and programmes that benefit the people of the district during this financial year:

#### **Job creation:**

Waterberg District Municipality emerged as a strong partner in the implementation of projects through labour intensive methods aligned to Extended Public Works Programme (EPWP) and other projects that we implement within the district, namely:

- 18 work opportunities for the construction of 72 VIP sanitation at Ga- Seleka in Lephalale Local municipality through EPWP. This project will be completed before the end of June 2017.
- 42 jobs were created on the upgrading of Thabazimbi Waste Water Treatment Works. The project is expected to be completed during the first quarter of 2017/2018 financial year.
- A total of 33 jobs were created on Mabaleng Storage, Deveopment of ground water for Thabazimbi town and Regorogile township, Schilpadnek Water Supply and Raphuti/Leeupoort Water Supply.

Madam Speaker in all these projects, labour comes from the local communities. The main objective is to create jobs while providing skills in order to alleviate poverty within the areas where projects are implemented.

### **Municipal Health Services:**

Municipal Health is one of our core functions in terms of the National Health Act No. 61 of 2003. The Unit during the current financial year was able to do the following:

- Our Environmental Health Practitioners monitored the exhumation and reburial of 94 graves from Turfspruit farm in Mogalakwena Local municipality. These graves were going to be affected by development of mining infrastructure of IvanPlats mine.
- Joint operations are continuously conducted with other sector departments including South African Police on foodstuffs that are not suitable for human consumption and are confiscated and disposed at landfill sites and health education is provided.
- The Environmental Health Practitioners also work hand in glove with the officials from the Department of Health, Traditional Health Practitioners and Traditional Leaders during initiation period.

This is part of the daily functions by the District Municipality Environmental Health Practitioners who are deployed in all local municipalities within the district to assist. The core functions include amongst others

- Water quality monitoring
- Food control
- Health surveillance of premises
- Surveillance and prevention of communicable diseases,
- Environmental pollution
- Disposal of the dead

This is however, a function that was devolved from the Provincial Department of Health to the district municipality. It was a new mandate to the district and we are now efficiently and effectively championing it.

### **Disaster Management:**

The Unit deals with all hazards whilst more attention is directed to emergencies such as fire, transport accidents and natural disaster such as floods. The unit is always ready for these tasks.

### **Water**

Water is the most important resource to promote both social and economic development within communities. The Waterberg District Municipality is not a Water Services Authority (WSA) and depends on its local municipality for provision of water. National Treasury and the Department of Water and Sanitation approached and appointed the Waterberg District Municipality as the implementing agent of the projects in Thabazimbi Local Municipality in the 2015/2016 financial year. We are busy implementing those projects

### **Electricity:**

The development of the coal and energy in Lephalale did not only eradicate the district electricity backlog but also improved the provision of electricity in the province and the country. To date ESKOM has increased the number of electricity outlets near communities within the district so that people don't have to travel long distances.

Some of the challenges still facing the district include:

- Shortage of human capacity in certain functional areas, especially in Disaster management and fire-fighting
- Retaining the clean audit but safe to say that for 2015/2016 we obtained unqualified audit opinion.
- Unemployment and Lack of skills especially the youth.
- Reducing the HIV/AIDS T.B. and establishment of Local Aids Councils.
- Resuscitation of Intergovernmental Relations forums. These forums are not meeting due to the absence of key members. We call upon all stakeholders to attend, especially Mayors and Municipal Managers.
- Let us make sure that in the 2017/2018 financial year all these structures are functional in terms of Intergovernmental Relations Framework ACT 13 of 2005.
- Slow implementation of Spatial Planning & Land Use Management Act (SPLUMA) as local municipalities are not complying in terms of modalities of the signed agreement and they not provide budget for the District SPLUMA Tribunal members.

**Ladies and gentlemen**, we had a short but eventful financial year indeed, with regard to the support provided to our stakeholders and partners. Some of our public participation activities and special projects undertaken and hosted by the Waterberg District Municipality include amongst others:

- Public Participation and Batho Pele Programme in BelaBela Local Municipality on the 19<sup>th</sup> November 2016. We shall be hosting another Public Participation Programme before the end of June 2017 in LIM 368 Municipality.

- Waterberg District Municipality hosted the 1<sup>st</sup> Catchments Conservation Indaba on the 21-22 November 2016 in Thabazimbi Local municipality to address water conservation issues to create a climate resilient district.
- The District 2016 Grade 12 Award Ceremony was held on the 13<sup>th</sup> January 2017. This is an annual event aimed at encouraging our learners, schools and circuits to perform and improve the District Matric results. Madam Speaker, for the 2016 academic year the district managed to obtain 65.1% which is an improvement of 7% from the 2015 results. This placed the district at position 3 at the Provincial level.
- Farm workers and Farm Dwellers event was held at Dwaalboom in Thabazimbi Local Municipality on the 19<sup>th</sup> March 2017. The purpose is together with other sector department address the challenges that farm people experience on daily basis.
- We shall be hosting the Executive Mayor`s Golf Classic on the 23<sup>rd</sup> June 2017 in partnership with the University of South Africa (UNISA). A Memorandum of Agreement has been signed for the next three years to promote golf in the district.
- Executive Mayor`s Marathon is an annual district classic event held on the 6<sup>th</sup> May 2017 and blessed by the participation of 587 athletes across the country.

The marathon is growing every year and it is a platform to unearth new talent, promote social cohesion and prepare district athletes to participate in National and International races like the Comrade Marathon.

We are happy to announce that some of the Waterberg District Municipality officials will be participating in the 2017 Comrade Marathon on the 4<sup>th</sup> June 2017.

Madam Speaker, our relationship with Traditional Leaders within the district is very sound and solid. Traditional Leaders are effectively participating in the affairs and activities of municipalities with the Chairperson of Local House leading at the district municipal council level.

**Honourable Speaker**, working together with all our stakeholders in local government we will be able to consolidate our position as a leading municipality ready to take major strides in delivering on our mandate during this term of office although with limited resources.

It is envisaged that this phenomenon will have far reaching consequences and the potential for huge economic spin –offs for both the district at large and our local communities by creating jobs. The relaunch of WEDA and the introduction of the concept of Flea Market will make job creation a reality.

#### **Honourable Speaker,**

In terms of the Municipal Finance Management Act No. 56 of 2003, ***‘The Municipal council must at least 30-days before the start of the budget year consider approval of the Annual Budget’***

It is from this legislative mandate that we are converged here today, exactly 31 days before the end of the financial year, to present to council and the community of Waterberg the 2017/2018 IDP and Budget.

The budget that we are presenting here is informed by the inputs of our people solicited during the public participation and IDP roadshows programmes, guided by practical prioritisation, and determined by the realities of our resource capacity.

It is evident that to us public participation is not just a formality but a revolutionary mandate based on the Freedom Charter principle of ***“the people shall govern”***

As per the legislative requirements, we have undertaken our IDP and Budget Roadshows in conjunction with our local municipalities to communities within the district to inform them of our plans for the next financial year.

As the district in consultation with local municipalities, we strived to ensure that the budget we present today is fair and equitable, although with limited resources, to meet the objectives as set out during the district strategic planning session and the National Local Government Strategic Agenda.

We, however, made sure that the little at our disposal is allocated equitably to the minimal projects and programmes identified.

#### **Madam Speaker**

This budget was prepared in terms of National Treasury, MFMA, Municipal Budget and Reporting Regulations. The growth parameters were calculated based on the average CPI-X and guidance of Circular 86 as 6.4% in 2017/2018, 5.7% in 2018/2019 and 5.6% in 2019/2020 financial years.

Madam Speaker, you will agree with me that Waterberg District Municipality does not provide bulk services and therefore only dependent on grants in terms of the Division of Revenue Act (DORA).

The 2017/2018 IDP Budget Process Plan was adopted by Council in October 2016. The adoption of the process plan was done outside the legislated timeframe due to Local Government Election, induction of new councillors and the inauguration of Mayors.

The 2016/2017 mid-year performance assessment was conducted in February 2017 which determined the 2016/2017 Adjustment Budget and formed the baseline of drafting the 2017/2018 Operating Expenditure Budget. The Income amount was based on the 2017/2018 DORA issued in March 2017.

The total budgeted revenue for the financial year 2017/18 amounts to **R 133 180 800**. This is an increase of 2% as compared to the 2016/2017 original budget, primarily due to an increase in equitable share grant allocation for the 2017/2018 financial period.

Council operates an Abattoir, which is a trading service. The trading service is supposed to break even, but is currently running at a loss. The Abattoir has a budgeted operating shortfall of **R 6 687 500** for 2017/2018 financial year. No tariff increase is proposed. An amount of **R 1 966 200** is provided for income from the abattoir disclosed as service charges.

Let me also indicate that the Department of Rural Development & Land Reform will provide funding for the renovation and revitalisation of the district abattoir as part of the Agri-Park model aimed at increasing domestic agricultural productivity and promoting agro-processing.

Waterberg District Municipality was categorized and prioritized as a red meat cluster district and Lim 368 was identified as the location for establishment of the district Agri-Hub given the existing infrastructure, which is the district abattoir.

The Waterberg Economic Development Agency (WEDA) is a District Municipal Entity which will be regulated by Local Government Legislation and owned by the Waterberg District Municipality.

In order for the agency to effectively execute its mandate it must sufficiently be financed. An amount of **R 3 000 000** has been allocated for 2017/2018 financial year.

Disaster Management and Fire Fighting still tops the priority list with an overall budget of **R 33 427 135** allocated to this functions which is an increase of 2%. The total fire-fighting and disaster management function thus constitute 21% of the total operating budget excluding the IDP capital expenditure portion.

The fire-fighting service is presently rendered by two local municipalities, namely, Mokgalakwena and Thbazimbi on behalf of the WDM and claims are submitted on a regular basis. Provision of **R 6 963 910** is allocated to the two local municipalities and this represent 4.4% of the operating budget.

The District Municipality finalised the process of relocating fire-fighting staff from Lephalale, LIM368 and BelaBela local municipalities respectively to the head office at the end of April 2017, so 19 fire-fighters are now included in the head office budget.

The provision per municipality is allocated as follows:

Mogalakwena Municipality	-	R 5 468 525
Thabazimbi Municipality	-	R 1 495 400

No additional Fire Fighting tariff is proposed for 2017/2018.

**Ladies and gentlemen**, Municipal Health is one of our core services as the district municipality. We allocated **R 20 809 700** excluding the IDP capital expenditure to municipal health service.

National and Provincial Governments have stopped the funding of health services, nonetheless it was indicated that they will partly fund the service by providing an equitable share.

As per the 2017/18 DORA, the equitable share does not include a portion specifically allocated to this service. Previously and for three years during 2013 to 2015 financial years, this service was funded with an average amount of R10 million per annum.

The total operating expenditure budget including the IDP portion amount to **R 158 727 700**. Excluding the IDP project expenditure portion amount to **R 150 053 900**, this is an increase of 5% as compared to the previous year's budget. The MFMA Circular 86 only allows 6.4% and therefore the municipality is thus within the prescribed parameters.

Councillors' expenditure is based on the Government Gazette Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils of December 2016, plus an annual increase of 7.4% in 2017/18 financial period.

The budget is now compiled based on a Grade 4. Provision is made for six full time councillors. The total salaries and allowances for councillors amount to **R 10 456 461** and makes up 6.4% of the total operating expenditure, however this expenditure is subsidised by an equitable share allocation specifically for this purpose of **R 5 822 000** for the 2017/18 financial period.

Personnel expenditure increases by an average of 7% in 2017/18 to R 90 831 643 for officials including contributions to long service awards and post-retirement medical aid actuarial valuations.

Provision is made for a general increase of 7.4% for all employees. The South African Local Government Bargaining Council entered into a three-year Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018. The preparation of the 2017/18 MTREF constitutes implementation of the last year of the agreement which municipalities must implement as follows:

- 2017/18 Financial Year – average CPI-X (Feb 2016 – Jan 2017) + 1%

Performance bonuses for S57 managers is budgeted for all managers who are anticipated to be employed at the WDM for at least one year as at 30 June 2018, thus now there are only 5 managers, which has resulted in the 11% year on year decrease in performance bonus budget.

#### Expenditure per Vote

A department constitute a vote as per the MFMA definition. The following provisions were made per department:

Budget & Treasury	R 22 071 000
Office of Municipal Manager	R 10 318 000
Corporate Services	R 19 819 300
Planning & Economic Development	R 7 269 500
Infrastructure Development	R 8 646 500
Executive Support Office	R 24 225 000
Social Development & Community Services	R 3 488 000
Disaster Management& Fire Fighting	R 33 427 100
Municipal Environmental Health	R 20 809 700
Abattoir	R 8 653 600
<b>TOTAL</b>	<b>R 158 727 700</b>

**Madam Speaker,** we strongly believe that this is a fair distribution of limited resources of the municipality and aligned to the key thrusts of local government.

In terms of Section 539 (c) of the Municipal Finance Management Act, “ *The Mayor of the municipality must take all reasonable steps to ensure that the municipality’s Service Delivery and Budget Implementation Plan (SDBIP) is approved 28 days after the approval of the budget*”

Our Management Team will ensure that same is developed and presented to Executive Support office to ensure effective implementation of the budget and projects that we are approving today.

We once again believe that our ability to strengthen the cohesion and partnerships that we have already built is fundamental to the sustainability of the achievements made thus far in our district.

Ladies and gentlemen, we owe maximum words of thanks to the following stakeholders who are tirelessly contributing to the success of the Waterberg District Municipality:

- ✓ Local municipalities who are always very frank and cooperative during the joint community consultation sessions and integration of plans.
- ✓ The Waterberg Community who responded positively to our public participation processes and contributed towards the drafting of the budget and IDP.
- ✓ Mayoral Committee Members and councillors from both the ruling and opposition parties for working together during this financial year.
- ✓ The Management and all officials for having worked hard to ensure that the aspirations and wishes of our community get the necessary attention.
- ✓ The support and role played by our Limpopo Provincial Government, National Government, SALGA, Business partners, Mining Houses, Media Houses, Traditional leaders, Traditional Healers, Youth and all stakeholders in local government is also acknowledged and appreciated.

The former and late President of South Africa, Nelson Mandela once said: **(I quote)” If you want to make peace with your enemy, you have to work with your enemy. Then he becomes your partner”. (unquote)**

As leaders from both the opposition and the ruling party, let us work together to deliver quality services to all communities in order to create a better life for all.

#### Honourable Speaker,

It is with great pleasure for me to present to you the Waterberg District Municipality `s 2017/2018 Integrated Development Plan and Budget for consideration and approval by council.

**I THANK YOU, BAIE DANKIE KE A LEBOGA!!!!**