

**BUDGET SPEECH BY THE EXECUTIVE MAYOR OF
WATERBERG DISTRICT MUNICIPALITY**

ORDINARY COUNCIL MEETING

27 MAY 2022

12H00

Madam Speaker,

The Chief Whip Cllr. Monare,

Mayoral Committee Members,

*The Local House of Traditional Leaders represented
by Inkosi Mahlangu,*

Fellow Councillors,

The Chairperson of MPAC, Cllr. Mabe,

*Chairperson of the Audit Committee Adv.
Thubakgale,*

Municipal Manager and Management Team,

Distinguished Guests,

Ladies and Gentlemen,

Thobela, Good Afternoon!

It is an honour and privilege for me this afternoon to present to this august house of the Waterberg District Municipality, the Draft 2022/23 financial year Budget and Integrated Development Plan, as well as the related policies.

Madam Speaker, this Budget Speech takes place after two days that marks the founding of the Organisation of African Unity (OAU), now called the African Union (AU) in Addis Ababa in Ethiopia on the 25th May 1963. The Organisation pledged to support the work conducted by freedom fighters and remove military access to colonial nations.

It was at this time when the Heroes and Heroines of the African liberation came together and pledged to fight against colonialism and apartheid in South Africa.

This is a day that continues to be celebrated both in Africa and around the world, we hope members commemorated with pride hence important for us to always preserve this historic day.

We are gathered here today during this month which also marks six months of the current council. We are here to reflect on our highlights so far and challenges experienced during the 2021/22 financial year in order to present future plans going forward.

Madam Speaker, our democratic government, led by our glorious movement, the African National Congress, has approved and adopted the National Development Plan 2030. This Plan has received endorsement from the broader society. Many strides were made in terms of achieving the objectives of the plan throughout the years.

The focus now shifts to how far we are in terms of the implementation of this plan with approximately seven years remaining.

The plan as we are aware, aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality.

The core elements of a decent standard of living identified in the Plan are:

- Housing, water, electricity and sanitation;
- Safe and reliable public transport;
- Quality education and skills development;
- Safety and security;
- Quality health care;
- Social protection;
- Employment;
- Recreation and leisure;
- Clean environment and
- Adequate nutrition.
- Capable state

As an over-arching plan, the National Development Plan has become critical to inform all planning interventions in municipalities.

It is a strategy and plan pegged against a medium to long term growth path that is expressed in our 5 years Integrated Development Plan to transform the Waterberg District Municipality into an energy hub, eco-tourism and mineral resource destination.

Madam Speaker during the Strategic Planning Session held from 8 -10th March 2022, the Waterberg District Municipality infused these elements of the NDP into our planning process as a way of unlocking the implementation of the Plan. The objectives of the Strategic Planning Session were to:

- Develop a perspective of the imperatives driving the need for repositioning;
- Conduct an assessment of the current state and performance of the District;
- Develop a set of principles and operating framework that reflect repositioning of the District;
- Develop strategic objectives and long term strategies to attain the proposed outcomes and key performance indicators as enshrined in the Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP);
- Align the strategic objectives to the National Development Plan and to the perspective based on balanced scorecard that will be used to monitor and evaluate the performance of the District.
- Reinforce the implementation of the District Development Model as a vehicle for integrated planning within the district.

There are however, challenges that were identified as hindrances to the strategic focus areas I have just alluded:

- ✓The first challenge is lack of integrated planning and budgeting. Separate, unsynchronised planning and budgeting processes between local, provincial and national government have contributed to a lack of

integration and delivery at grassroots level. Hence the introduction of the District Development Model.

- ✓The second identified challenge is lack of coordinated support to municipalities. Capacity building programmes within various municipalities are not informed by an over-arching provincial programme of support and, as a result, capacity support is fragmented, there is a duplication of efforts, and municipalities' improvement and or deterioration cannot be adequately assessed.
- ✓The third challenge relates to too many Key Performance indicators in the Service Delivery and Budget Implementation Plan and the cascading of PMS to lower levels of employees.

With the capable Team of Managers in our municipality, we are confident that these challenges will be attended to the fullest in the 2022/2023 financial year.

Nonetheless, we are not always labouring on challenges but our achievements as well bear testimony to our commitment and passion for bringing service delivery to the people as mandated by the Constitution of the Republic of South Africa.

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.

It is a pleasure to note and formally inform this house that the Waterberg District Municipality obtained a **CLEAN AUDIT for the 2020/2021** financial year.

It is not a fluke that we achieved a Clean Audit, it is through hard work, dedication and compliance to applicable legislation including the Generally Recognised Accounting Practices (GRAP) as part of the accounting standards in compiling the Annual Financial Statements.

Proper financial systems, procedures and policies enabled the district to sustain and improved its unqualified status it received in the previous financial year.

This means that Waterberg District Municipality has successfully managed to perfect its financial management systems and governance and thus cleared all material findings from previous years.

The most important aspect of this achievement is the culmination of provision of leadership by governance structures within the municipality

This achievement was made possible by the assistance of internal governance structures established to oversee, monitor and influence compliance, and those include:

- ✚ Various Portfolio Committees

- ✚ The Municipal Public Accounts Committee (MPAC)

- ✚ The Audit Committee
- ✚ The Audit Steering Committee
- ✚ Risk Management Committee and,
- ✚ Well-structured Bid Committees

We don't only pride ourselves of the Clean Audit, we are also excited about the assistance we provide to our local municipalities which also contributed to most of them improving their audit status.

We however, still need to reinforce our assistance in local municipalities with an endeavour to pick up those who are still struggling.

The work continues between us and the Office of the Auditor General to retain this audit outcome as we wish not to regress to any lower bar.

Honourable Members,

The President of South Africa, Honourable Cyril Ramaphosa launched the District Development Model in Waterberg on the 26th November 2019 as a pilot project. The DDM is an all of government approach to improve integrated planning and service delivery across the three spheres of government.

It is aimed at facilitating the integrated planning, delivery and monitoring of government`s development programmes through the concept of a joint “One Plan”

Post the launch, a lot of activities have been taking place across the district with regard to the implementation of the Model.

Clear implementation Plan and processes were developed culminating into the following:

1. **Conducting a skills gap analysis** – this process entails an assessment of the required skills that would be critical to implement the DDM within the district. Managers and middle management officials underwent a mentorship programme sponsored by EXXARO and facilitated by the UN and was successfully completed. The second batch of officials is due to commence with their mentorship in due course.
2. **Establishment of the District Hub** – the District Hub was established and based in Modimolle supported by the DBSA to assist with the coordination of planning, budgeting and implementation within the district space. Much has been achieved with regard to the work of the Hub and municipalities are benefiting from the technical services provided.

3. **Development of the One Plan** – The District

Municipality also succeeded in the development of a One Plan which is a long term intergovernmental plan of government in the district compiled through a collaborative process.

There have been implementation of various programmes as well that are related to the DDM including sourcing of funds for the identified catalytic projects.

We need to acknowledge and appreciate the support from our partners in the DDM who are always making sure that there is at least movement in as far as implementation of the model is concerned. Those include the United Nations (UN), EXXARRO, DBSA, PGI and others.

This is in brief some of the highlights with regard to implementation of the District Development Model.

It is envisaged that this phenomenal Model will have far reaching consequences and the potential for huge economic spin –offs for both the district at large and our local communities.

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’***

Section 24 of the MFMA obligates municipal councils to approve their annual budgets before the start of a financial year together with the adoption of resolutions as may be necessary.

Section 25 of the Local Government Municipal Systems Act 32 of 2000, provides for that “***each municipal council must, within a prescribed period after the start of its elected term, adopt a single, inclusive and strategic plan for the development of the municipality.***”

It is from these legislative mandate that we are converged here today, exactly 34 days before the end of the financial year, to present to council and the community of Waterberg our 2022/2023 Budget and the Integrated Development Plan.

The budget that we are presenting here is informed by the inputs solicited from various stakeholders during the consultation processes, guided by practical prioritisation, and determined by the realities of our resource capacity.

We are presenting a budget that took all factors into consideration. We also need to be honest to ourselves that the state of the economy has made it very difficult to put this budget together.

The municipality has also under these trying circumstances strived to put together a realistic, credible and funded budget.

It is a budget that is carefully crafted to ensure we respond to the immediate needs given our financial sustainability.

As the district in consultation with local municipalities, we strived to ensure that the budget we present today is “**the people`s budget**” which is pro-poor and seeks to achieve the objectives of the municipality.

It was prepared in terms of the National Treasury Guidelines, MFMA and the Municipal Budgeting and Reporting Regulations. The growth parameters were calculated based on the average CPIX and relevant applicable Circulars.

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.

It is for this reason as well as limited opportunities for revenue as a result of reduced powers and functions, that we adjusted our expenditure projections downwards considering the decline in cash position available to the budget shortfall.

I am therefore tabling an **Operating Revenue of 153 Million Rand** and increases to **164 Million Rand** in the 2024/25 financial year. This is an increase of 2% as compared to the 2021/2022 Adjustment Budget.

The **Operating Expenditure** amount to **184 Million Rand**, a decrease of 3% against the 2021/22 Adjustment Budget.

The revenue generated from transfers and subsidies contributes 97% of the revenue basket of the municipality.

The total grant allocated for 2022/23 financial year amounts to 149 million rand.

Services charges which entail revenue realised from the Abattoir contributed 1% of the revenue basket.

It should be noted that a provision of **2.3 million rand** is made for interests from external investments and the current account based on prevailing investment rates and the current reserves.

Honourable Members,

In terms of Tariff Setting: The National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.

A tariff increment of **4.8%** is proposed for 2022/23 financial year for fire fighting and municipal health whilst 15% is proposed for Abattoir services.

More details on the proposed budget are as enshrined in your packages.

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.

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:

- ✓ The Waterberg Community who responded positively to our consultation processes and contributed towards the drafting of these budget and IDP.
- ✓ Mayoral Committee Members and councillors from both the ruling and opposition parties through various governance structures who were always there to provide oversight and guidance over the work of administration and respond to concerns raised by our electorates.
- ✓ The Management and Staff under the leadership of our Municipal Manager Mr. Preciousstone Raputsoa, 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, Traditional leaders, SALGA, Business partners, Mining Houses, Media Houses, and all stakeholders in local government is also acknowledged and appreciated.

The former President of the Republic of South Africa Tata Nelson Mandela once said: **“Let there be work, bread, water and salt for all”**. As leaders let us make sure that we provide quality services to our communities at all times.

Let us continue to make Waterberg District a destination of choice for investors and tourists and welcome them with the traditional warmth and the friendliness of the people of Waterberg.

Honourable Speaker,

It is with great pleasure for me to present to you the Waterberg District Municipality`s 2022/2023 Budget and Integrated Development Plan for consideration and approval by this council.

I THANK YOU, BAIE DANKIE!!!!