

2022 / 2023 BUDGET SPEECH

MORETELE LOCAL MUNICIPALITY

**TABLING OF THE 2022/2023
BUDGET SPEECH.**

**BY THE MAYOR OF MORETELE
LOCAL MUNICIPALITY.**



COUNCILLOR MG MANYIKE



**MORETELE
LOCAL MUNICIPALITY**



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11:00

Municipal Hall

2022/2023 MUNICIPAL BUDGET SPEECH BY MAYOR OF MORETELE LOCAL MUNICIPALITY, COUNCILLOR MG MANYIKE: MORETELE LOCAL MUNICIPAL HALL 31 MAY 2022

**The Honourable Speaker of council,
Dikgosi tsa rona
Honourable Members of the Mayoral Committee
Honourable Leaders of the Opposition Parties
Honourable Members of Council
Former Councillors that I have noted here
Acting Municipal Manager
Newly Appointed Municipal Manager
Senior Management of the municipality
Members of the media present
Ladies and Gentlemen**

Molweni, Abusheni, Dumelang, Good morning

I am standing here today as the servant of the people of Moretele sent to lead this community, and which is a call that I'm honouring.

Honourable Speaker,

It will be prejudice not reflecting on the state of the municipality after the last Budget tabling of 2021/22, the financial year that ushered the fifth administration into office in November 2021.

In our first 100 days in office, programmes were developed by the Executive Committee and clear targets set to accomplish for which were non and financial activities with sole aim of ensuring the assigned functions are executed with speed.

But the plans were disrupted by storms and floods which hit some parts of Moretele which includes Lebotlwane, Kromkuil, Mmakaunyana, Makapanstad, Maubane, Carousel View, and so on. We had to go all out to assist those whose roofs were blown away, build houses for those who were badly affected including those whose houses burned.

We further developed a programme to reconstruct roads that were swept away by floods which is still in progress.



Honourable Speaker,

Amongst other 100 days programmes, meetings were held with the Traditional Leaders as part of the IGR to introduce the Mayor and the Executive Committee. Various issues of concern were raised which happen to be a process to address. Subsequently, Review and Amendment of the Memorandums of Understanding were discussed, and consensus reached and should be signed soon.

In addition, the attendance of Council meetings and Activities by Traditional Leaders were discussed and will start seeing their attendance of Council meetings.

Honourable Councillors water is life

The issue of consistent Bulk Water Supply was addressed with the Magalies Water Board hence the commissioning of the Bulk pipeline aimed at relieving CTMM and to consistently supply water to our communities.

Honourable Councillors,

This Budget is presented under challenging times about the economic outlook of the Republic of South Africa, the Province and indeed that of Moretele Municipality.

South Africa finds itself at a crossroads. The Medium - Term Budget Policy Statement (MTBPS) presented by the Minister of Finance, Enoch Godongwana highlights the difficult economic and fiscal choices government is confronted with.

The Minister further indicated that South Africa needs to choose a path that leads to faster and more inclusive economic growth and strengthens private and public sector investment.

Honourable Speaker,

I should also indicate that the strengthening US dollar and rising global interest rates have triggered fiscal crises in several major developing countries including South Africa which is impacting directly to local government in a negative way, considering socio economic empowerment of our people.

NOW IN TABLING THE 2022/2023 FINANCIAL YEAR

PREPARATION FOR ANNUAL BUDGET FOR THE 2022/23 MEDIUM - TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

Honourable Speaker, in preparing the 2022/23 Annual Budget and Medium - Term Revenue and Expenditure Framework (MTREF) main objectives to be achieved are the following:

- (a) Reform spatial planning and promote access for poor to work, recreational and commercial opportunities
- (b) Grow local economy, create jobs, empower previously disadvantaged, transform ownership patterns
- (c) Eradicate poverty and uplift previously disadvantaged communities, promote social cohesion
- (d) Universal access to decent quality of services
- (e) Build a capable, corruption - free administration that can deliver on developmental mandate
- (f) Manage expenditure prudently, grow revenue base and build long term financial sustainability to invest in social and economic development

Grow Local Economy,

The current economic outlook for Moretele is not satisfactory and efforts should be made to improve this situation. We cannot continue to be in a mercy of investors coming to Moretele, we need to go out and look for investment.

The development of the local economic development strategy and plan is critical to achieve this goal. The success of any economic development strategy requires Moretele to be ready and open for business.

The municipality should identify pieces of land to be made available for business development.

If we don't make efforts in reducing unemployment and poverty our people will turn against us soon.



Eradicate Poverty and Uplift previously disadvantaged communities

The eradication of poverty within Moretele area needs to be our focal point. The social programmes that we are currently doing as the municipality needs to be streamlined. The indigent support policy of the municipality has been reviewed to ensure that it promotes easy implementation and prevents abuse of the policy. This policy is meant to benefit households which are seriously indigent.

The administration should take steps to verify the indigent and ensure that they only provide this benefit to deserving households.

The municipality will also continue to give 50kwh free basic electricity to our areas. My office has also developed programmes through the special projects office to develop clear programmes that will ensure that the various interest groups within the municipality are coordinated.

We have also made a provision in the budget to work closely with ward committees to create projects that will eradicate poverty within our communities.

Universal Access to decent quality of services

The municipality should develop service level standards which we want to achieve as the municipality and for which standards will our community afford. We are put under serious pressure as council to deliver sometime on the services standards that are beyond our means.

The operating budget of the municipality is under strain, and we still require more to be achieved with these limited resources. Once the municipality and the community agree on the acceptable level of services and the funds required to be paid by our communities this will assist in the addressing some of the financial constraints, we are causing the municipality.



THE MAIN FUNDAMENTAL BASES FOR THE COMPILATION OF THE 2022/23 ANNUAL BUDGET AND MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK

The National, Provincial and Local government's main priorities for the medium - term is basic services, social infrastructure development and job creation, therefore the focus and priorities of Moretele Local Municipality are geared towards the achievement of these priorities in order to ensure alignment in planning.

As we were developing our integrated development plan, we took into consideration the national development plan and ensured that our master plans and Budgets are redirected towards the achievement of these priorities.

The 2022/23 MTREF Budget has considered the following:

1. Slow economic Growth
2. Increasing population
3. Increase in Informal Settlements
4. Slow increase in debt collection or revenue enhancement
5. Unemployment
6. Increase in fuel prices
7. Inflation Rate below Eskom increase
8. Increase in Salary cost
9. Community Protests

In preparing the 2022/23 Budget and MTREF, we continue to explore opportunities to mainstream labour intensive approaches to the delivering of services, and more particularly to improve our participation in the Extended Public Works Program (EPWP).

The municipality is striving to and continues to play its critical role in creating an enabling environment for investment, growth and development.

FOCUS OF THE 2020/21 BUDGET Capital Budget

The Capital Budget flows from the IDP process and contains information obtained from the relevant stakeholders which has been subjected through extensive public participation processes during November 2021.

The revenue we generate is critical and the Municipal Manager will focus on raising this revenue to ensure that we are able to finance our operating budget.

The municipality will be receiving grants from both National and Provincial government, but those grants are not significant to address some of the challenges we are facing.



In summary Honourable Councillors, Capital Grants

Capital Grants is funded by a combination of Municipal Infrastructure Grant (MIG), Water Service Infrastructure Grant (WSIG) and funding from own capital reserves. The capital allocation is as follows:

MIG at R125 million 2022/23, WSIG at R65 million and Own funded capital projects at R60 million. Water projects are at R104 million, Sanitation at R21 million, Roads projects at R38 million, High Mast Lighting at R20 million, Community Facilities at R9 million and other capital projects funded from own reserves at R60 million. This takes our total capital projects to R250 million. Municipality has prioritized water and sanitation on new projects and completion of MIG registered projects.

Operating Revenue and Expenditure

Revenue

The 2022/23 Financial Year (FY) operating revenue is made up of R 102 million from User/Levied Charges, Equitable Share at R415 million, Extended Public Works Programmes (EPWP) at R1,9 million, Finance Management Grant at R R2,9 million, Sports Arts and Culture grant at R922 thousand, Interest revenue is at R23 million, and other income is at R956 thousand.

Expenditure

The 2022/23 Financial Year (FY) operating expenditure is made up of Employee related cost of R138 million, social contribution of R 28 million, Councillors remuneration of R 22 million, General expenses of R168 million, Bulk purchases at R43 million, Contracted services at R67 million, repairs and maintenance of R 22 million.

Grants from National and Provincial Departments which is 82% of the total revenue budget which is the same trend maintained from the previous financial years. This is an indication that much still needs to be done for the Municipality to collect revenue, and for long term financial sustainability. In this financial year there will be a revenue forum/summit involving our stakeholders, the main objective would be engagement on the different revenue generation mechanisms.

This budget Honourable Councillors is a drop in the ocean considering many social challenges our society is facing, though, this budget should be considered as a step to eradication of poverty and inequality.



The following capital projects will be implemented during the 2022/2023 financial Year

Under Water

- Construction of community hall in ward 15 (Maubane)
- Yard Connection in Ward 17
- Water reticulation in Ward 08 (Mmakaunyana)
- Yard Connection in Ward 21 (Kgomo kgomo)
- Yard Connection (Ward 14)
- Construction of Purification Plant in Ward 01 (Tlholwe)
- Water reticulation in Ward 1 (Ruigtesloot)
- Water reticulation in ward 6 (Ngobi & Jumbo)
- Water reticulation in ward 25 (Motla, Ratjiepane & Moeka)

Sanitation

- Ward 5 basic sanitation
- Ward 26 basic sanitation
- Ward 19 basic sanitation

Roads and stormwater

- Construction of paving road in ward 20 (Makapanstad)
- Construction of paving road in ward 13 (Carousel View)
- Construction of paving road in ward 25 (Moeka)

Community Facilities

- Construction of Community Hall in ward 15 (Maubane)

High Mast Lights

- Construction of high mast lights in Mathibestad
- Construction of High Mast Lights in ward 14
- Construction of High Mast Lights in ward 17

In Conclusion

- I am convinced that this Budget as an instrument, will go a long way to create hope in these challenging times and will contribute to our goal “To be the best together”.
- I want to take this opportunity to thank all Councillors that serve with me.
- We proudly serve with diligence and honour.
- I want to thank the Municipal Manager and his administrative staff. Your professionalism has been noted as one of the key factors for our success.
- The members of the media, my family for allowing me to serve the community at the expense of spending less time with them. Most importantly the community of Moretele for entrusting in me, to run and lead a big institution like ours.



MORETELE LOCAL MUNICIPALITY

I COUNCILLOR MASANGO GEORGE MANYIKE, THE MAYOR OF MORETELE LOCAL MUNICIPALITY hereby tables the Annual Budget for the 2022/2023 Medium-Term Revenue and Expenditure Framework of the Moretele Local Municipality for consideration, adoption and approval.



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