

**TABLING OF THE STATE OF THE MUNICIPAL ADDRESS
AND 2024/2025 FINANCIAL YEAR BUDGET**

BY

**MORETELE LOCAL MUNICIPALITY MAYOR
HON. CLLR MASANGO GEORGE MANYIKE**

23 MAY 2024

Thank you, Honourable Speaker

**Allow me to acknowledge the presence of the Single Whip of Council,
Hon. Kaike Nkele Mleta**

All Honourable Exco Members present

Honourable Councillors

Leaders of various political parties

Leaders of various alliance partners, SACP, SANCO and COSATU

Our four traditional leaders and their representatives

Our stakeholders

CDW's and Ward Committee Members

The Municipal Manager

Directors, Managers, officials, and Council Support Staff

Distinguished guests

Our community members

Members of the media

Ladies and gentlemen

A very good morning to you all!

Avuxeni?

Honourable Speaker and fellow Councillors,

Today is an important day in the calendar of Moretele Local Municipality. It is a day that I table the 2024/2025 financial year budget ten (10) days before the usual tabling date as prescribed in Section 16(2) subsection (1) which states that the Mayor of the Municipality must table Annual Budget 30 days before the start of a new budget year.

My tabling of the 2024/2025 financial year annual budget today comes as the result of the National and Provincial Elections declared to take place on May 29, 2024.

Honourable Councillors, it is my honour and privilege to deliver the State of the Municipality Address (SOMA). It is with great concern to learn that the Municipality hasn't commenced with developed revenue enhancement strategy that is supposed to assist the Municipality to raise and collect revenue. The challenges the Municipality is faced with cannot only be addressed by grant allocation only.

Honorable Councillors, the 2024/2025 financial year has been plagued by various challenges for which most of the challenges are legacy challenges of the unfinished projects. Some of those unfinished projects and we as successor in title, are still accounting for with the Provincial Public Account Committee (PPAC) and some we were obliged to open cases with the SAPS.

Inadequate bulk supply remains a challenge and to mitigate the scourge of water challenges, we appointed water tankering service providers to deliver water to our communities.

Waste removal is a paid service which every household should pay for. Service providers are also appointed for this service and urge ward Councillors to monitor this service and make sure that waste is collected. The fact that illegal dumping sites are increasing is a sign that waste is not collected, and communities embark on dumping everywhere.

Internal roads are horrific, because of poor maintenance and insufficient yellow fleet. The other challenge we find ourselves is the lack of access to G5 gravel or soil. In the coming 2 years, the municipality would be forced to procure G5 gravel.

In the past few months, we have been visiting different Wards in Moretele creating dialogue and collaborating with key stakeholders to ensure that we accelerate service delivery. This is all thanks to the **Thuntsha Lerole programme** initiated by acting Premier, Hon. Patrick Dumile Nono Maloyi.

This program ensured collaboration of all government departments and Municipalities in providing service delivery. Potholes were patched, water leaks fixed, high mast lights repaired, illegal dumping sites cleaned, SASSA provided their services, school uniforms and shoes distributed to schools, expedited distribution and application of ID cards, and passports, chronic defaulters traced and provided with medications, and shops searched for compliance etc.

My office has also through **Re Bona ka Mahlo** programme allowed for visits to project sites to monitor progress so that where there are challenges or delays, they are addressed but most importantly to check whether projects being implemented are meeting the desired standards.

Honourable Speaker, the 2023/2024 financial year Council approved annual budget and projects aimed at changing Moretele to be a better and desired to live in Municipality as well as bettering the lives of our communities. The final Budget that I am tabling is a build on what we have started or done.

As we prepare ourselves for the 2024/2025 financial year Honourable Councillors, we must bear in mind that we have only one mandate, which is to enhance the well-being of our people and **in addressing service delivery issues, for the financial year ahead, we have planned to do the following:**

INFRASTRUTURE DEVELOPMENT SERVICES	
Moeka, Ga-Motle, Ratsiepane, Kromkuil, Mmakaunyane, Norokie with reticulation and yard connections Water supply Schedule C - 2000 Yard Connections	R 21 235 200.00
Construction of 1.4Ml and 117kl elevated steel tank with 400-yard connections in ward 15	R 20 000 000.00
Construction of 1.7Ml elevated steel tank with 450-yard connections in ward 16	R 20 000 000.00
Ward 1 water reticulation and yard connections (Ruigtesloot)—Drilling of 8 Boreholes with Purification plants	R 8 000 000.00
Construction of Basic Sanitation in ward 7	R 18 500 000.00
Construction of Basic Sanitation in ward 6	R 16 500 000.00
Construction of Basic Sanitation in ward 13 &14	R9 000 000.00
Paved roads & stormwater drainage constructed in ward 01	R 8 000 000.00
Paved roads & stormwater drainage constructed in ward 12	R 10 000 000.00

Paved roads & stormwater drainage constructed in ward 21	R 8 000 000.00
Paved roads & stormwater drainage constructed in ward 19	R 10 000 000.00
Paved roads & stormwater drainage constructed in ward 26	R 10 000 000.00
Paved roads & stormwater drainage constructed in Ward 13	R 10 700 000.00
Paved roads & stormwater drainage constructed in Makapanstad	R 8 000 000.00
High mast-lights in (Ward 14 & 22)	R 7 400 000.00
High mast-lights erected in Mathibestad	R7 000 000.00
High mast-lights in Makapanstad	R 8 000 000.00
Community Recreational Park in Mathibestad	R 6 600 000.00

COMMUNITY DEVELOPMENT SERVICES	
Cemeteries development in Ward 5 and Moeka	800 000.00
Cleaning of cemeteries at Cyferskuil, Moeka and Makapanstad (Motlhabaneng)	220 000.00
Community halls to be rehabilitated and maintained	994 137.00
Maintenance of Municipal Hall	300 000.00
HUMAN RESOURCES	
New Fleet	
<ul style="list-style-type: none"> ➤ Road stamper ➤ Grader ➤ Tractor & mower ➤ TLB 	R8, 000,000.00

LOCAL ECONOMIC DEVELOPMENT	
Demarcation of sites	R2 000 000.00
Feasibility Study	R1 000 000
Land use survey	R700 000

Honourable Councillors, as we are here, both political leadership and administration, we have a common purpose, and we have honest, hard-working people in the Municipality who are willing to advance the delivery of good quality services to our people. That is our purpose which is above our own individual, factional or different political interests.

Honourable Speaker, I have never been optimistic than I am now about the future of Moretele and South Africa as a whole. This optimism is not based on a notion that it's election year and we are going to the polls in just six (6) days, on 29 May or on faith.

It is based on evidence and the progress we have registered to ensure that service delivery remains our priority. To mention a few, it's the completion of projects and the unqualified audit opinion we have received with few findings.

In Responding to the findings of the Auditor-General of South Africa, Audit Action Plan (AAP) has been developed by Management and my office has all on desktop to monitor whether the AAP is addressing the findings.

2024/2025 FINANCIAL YEAR

The operational budget is mainly funded by the Equitable Share which accounts for a higher percentage of the grants received. The own revenue

has been conservatively increased in accordance with circular 123. The consideration for the collection rate has also been considered. The collection rate remains below 30% on outstanding debt and is at 10 % against current billing.

The rural nature of the municipality must be reflected through the indigent support for the poor. The projected increase in indigent subsidies has also been taken into consideration. The indigent management policy has been revised to consider the deemed method of verification.

The proposed tariffs for the 2024/2025 financial year are within reasonable limits. The tariffs consider the property rates levy which are approved in terms of the MPRA. There is no increase in the land tax for 2024/2025, except for the water services. (See the attached list of the Tariffs)

Honourable Speaker,

The integration of service delivery between national, provincial, and local government is critical to ensure focused service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs.
- Enhancing education and skill development.
- Improving Health services.
- Rural development and agriculture; and
- Fighting crime and corruption.

Overview of budget-related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies, and related policies.

Review of Credit Control and Indigent-Related Procedures or Policies

The Credit Control and Debt Collection Policy was reviewed for the 2023/2024 financial year in line with section 97(1) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) which requires that a credit control and debt collection policy must provide credit control procedures and instructions as well as debt control procedures and mechanisms.

Municipal Property Rates Policy

The property rates policy is reviewed annually during the tabling of the budget.

Asset Management policy

Section 78(1) of the MFMA requires that the assets and liabilities of the municipality must be managed effectively and that assets must be safeguarded and maintained to the extent necessary. The previously approved asset management policy only included management of immovable asset. The policy has been amended to include the management of movable assets.

Supply Chain Management Policy

The Supply Chain Management Policy was reviewed in accordance with the municipal Supply chain regulations. The supply chain management has been amended to align with the PPPFA. New insertions into the policy relate to the use of contracts acquired by another organ of state. This insertion is aligned to the 2019 MFMA circular provided in this regard.

Budget Policy

The Budget Policy, includes the Fund Transfer Policy, aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The policy has been amended in line with MSCOA requirements.

Cash Management and Investment Policy

The Municipality's cash management and investment policy was amended to align with the municipal investment regulations.

Tariff policies!

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires municipalities to adopt and implement a tariff policy. The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent, and affordable charges that also promote sustainable service delivery, and it allows for cross-subsidization between consumer categories.

Impairment of debtors

The policy is to set out a methodology for the impairment of receivables in line with the applicable accounting standards;

- To ensure that sufficient provision is made for the impairment of receivables in the annual financial statements;
- To ensure that receivables disclosed in the annual financial statements are stated at amounts that are deemed collectable; and
- To promote transparency as required by sections 215 and 216 of the Constitution when dealing with debtors and debt.

Honourable Councillors,

WSIG allocation for 2023/2024 was R30-million, it has been increased to R75 -million in 2024/2025 financial year. The grant is for Municipal water Infrastructure Grant, the municipality uses this grant mainly for sanitation projects and yard connections.

The total revenue budget for 2023/2024 was R745 million including capital budget revenue when compared with 2024/2025 budget of R824-million which represents an increase in budget income estimates of R79 -million.

The 2023/2024 Financial Year (FY) operating expenditure was R 674.4 million compared to the budget of R722.4 million for 2024/2025 which indicates an increase of R48 million. This reflects a surplus of R 101.9 million.

Revenue generated from rates and services charges forms an insignificant percentage of the revenue basket for the Municipality, as the municipality is grant dependent. In the 2024/2025 financial year, revenue from rates and trading services charges totaled R90 million or 11% of the total Budget revenue. The revenue from grants amounted to R683.8 million which is 83% of the total revenue budget.

BULK PURCHASES (Water Inventory)

The 2023/2024 final budget for bulk purchase was R53.5 million and the budget for 2024/2025 has increased to R57.7 million, this indicates an increase of R4.2 million.

GENERAL EXPENDITURE

The general expenditure budget for 2023/2024 amounts to R73.4 million compared to R81.5 million for 2024/2025 financial year this reflects R8.1 million increase.

CONTRACTED SERVICES

The contracted services budget for the year 2023/2024 was R173.4 million and for the financial year 2024/2025 the budget is R190.9 million, this reflects an increase of R17.5 million. The municipality sought to localize the procurement of critical services to ensure social sustainability of such projects. Repairs and maintenance were budgeted under contracted services for the value of R22,6 million, Professional Services for R71million.

DEPRECIATION

The Depreciation budget allocation for 2023/2024 was R107.4 million, it has been increased by R4.6 million when compared 2024/2025 budget of R112

million, the indicator to increase the depreciation to 4.9% was based on the audited financial statements of 2022/2023 financial year.

Honourable Councillors, beyond the elections, let us remember to continue to do **“Less Talk, More Work”**.

Honourable Speaker, I now table

- **Mayor’s Report No: MLM 12001-05-2024 – 2024/2025 Final Integrated Development Plan**

- **Mayor’s Report No: MLM 12002-05-2024 – 2023/2024 Final Service Delivery and Budget Implementation Plan**

- **Mayor’s Item No: MLM 12003-05-2024 – Medium Term Revenue Framework (MTREF) Budget for the Financial Year 2024/2025 to 2026/2027**