

**BUDGET SPEECH DELIVERED BY THE MAYOR OF LIM345 MUNICIPALITY, HER WORSHIP, CLLR TINTSWALO JOYCE BILA ON THE OCASSION OF SPECIAL COUNCIL FOR IDP AND BUDGET PRESENTATION FOR THE 2017/18 FINANCIAL YEAR, HELD ON THE 31<sup>st</sup> DAY OF MAY 2017 AT MALAMULELE BOXING GYM.**

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Acknowledgements:

- **The Chairperson of Council, Honourable Speaker, Councillor Lebia M.E;**
- **Chief Whip of Council, Councillor Chauke M.G;**
- **Executive Committee Members in our midst;**
- **MPAC and Section 79 Chairpersons;**
- **Fellow Councillors;**
- **House of Traditional Leaders;**
- **Municipal Officials under the Leadership of the Municipal Manager, Miss Ngobeni T.C;**
- **The Regional Leadership of the ruling party, the ANC;**
- **Ward Committee Members;**
- **Representatives from Sector Departments;**
- **Organised Community Structures;**
- **Leadership of various religious formations;**
- **Faith based organisations;**
- **Representatives from the Labour Union;**
- **Youth, women and disability forums;**
- **Leaders of Labour and Business;**
- **Members of media;**
- **Distinguished Guests;**
- **Comrades;**
- **Community members;**
- **Ladies and Gentlemen;**

## **Good morning, Avuxeni, Ndi matsheloni!!!**

It is indeed a pleasure and privilege for me to present to you – on behalf of the Council of Lim345 Municipality – the Budget Speech for the 2017/2018 financial year. I do so in a spirit of honesty, both about our municipal challenges and the opportunity to turn our economy's direction towards hope, confidence and a better future for all. Today's occasion marks the beginning of a journey that seeks to accelerate social, economic and infrastructure development.

### **Honourable Speaker,**

We meet in this august house this morning at the occasion of the first ever Budget presentation for Lim345 Municipality which is a tool to ignite excellence and bring hope to the people of Lim345 Municipality. I also regard this budget as an arsenal against the triple challenges of poverty, unemployment and inequality that continues to torment our people.

Most importantly – as Council – we use this occasion to contemplate on the affairs of the municipality, and to plan our finances for the benefit of the people of Lim345 in its length and breadth. This also allows us an opportunity to pursue our patriotic duty and responsibility to build and promote our promising municipality.

Through this budget, our municipality must bring hope to the ordinary masses. It must be a father to the fatherless, nurturer to the motherless and a beacon of hope to the hopeless.

### **Honourable Speaker,**

I present this budget during the last day of the most venerable month in the African calendar, wherein we celebrate what has come to be known as Africa month. Fifty-four years ago, leaders of the independent states of Africa met on the 25<sup>th</sup> of May in **Addis Ababa**,

and signed the founding charter of the Organisation of African Unity in 1963.

We observe this month as a celebration of African Unity at home and in the diaspora, and as a moment to recommit ourselves to work towards the full integration of Africa. Among the primary objectives the generation of **Kwame Nkrumah** and **Haile Selassie** had, was to co-ordinate and intensify the co-operation of African states in order to achieve a better life for the people of Africa.

Over the last few weeks, various events were held across the country since the launch of Africa Month celebration by **Minister Mthethwa** on 3 May 2017 at Pretoria. These events have provided us with necessary platform to engage in a festival of ideas and cultural exchanges so that we learn from one another thereby strengthening our unity in diversity.

**Honourable Speaker,**

This event also takes place in the year which was declared as the centenary year of **Oliver Reginald Tambo** by **President Jacob Zuma** during his 2017 State of Nation's Address on February 9. We remember Tambo as a selfless servant of the people who served as a president of the African National Congress for about three decades.

He was a fearless leader who had a clear fortitude at heart, to unite the people of South Africa under one banner, in order to confront the political and socioeconomic onslaught, inflicted to them by the then repressive, illegitimate and notorious settler-colonial regime.

Throughout his life, Tambo taught us to live with a common conviction of fighting for the protection of human rights, and to reject all forms of discrimination towards one another. Today we are able to stand

fearlessly, to oppose dehumanisation, degradation and exploitation of one by another.

It is for this reason that our people elected us to lead them during the last round of Local Government Elections in 2016. They need us to be firm in a course of building a united, democratic, non-racial, non-sexist, prosperous and peaceful municipality, devoid of tribalism and hatred, just as Oliver Tambo taught us.

**Honourable Speaker,**

It would be incorrect for me if I did no pause to reflect on the matter that is currently shaking South Africa to its knees. The brutal and sorcerous killings and exploitation of women and children which is occurring – mostly in the Gauteng Province. 23 years since the emancipation of democracy, on May the 20<sup>th</sup>, already 19 cases of children murdered were reported and a number of women raped, killed and burned. Some of these cases are still being investigated. Statistics says that 1 out of every 6 women is involved in an abusive relationship, and only 40 percent of these cases are reported.

It is concerning that the outcry of victims of violence is seemingly falling on deaf ears, and communities are not coming out to report the perpetrators of violence. I am making a call to action for government agencies, all law enforcers, community policing and safety forums, to stiffen our belts and fight this monster head-on. Surely we cannot just sit and watch when our nation turns into a state of violence and negligence.

Men and women alike, must stand together and say ***Enough is enough*** with children and gender based violence and human trafficking.

Our struggle heroes such as **Nelson Mandela, Walter Sisulu, Denis Goldberg** and **Ahmed Kathrada**, to mention just a few – have given us

– particularly the marginalised members of our society – a legacy that has the capacity to provide answers to socioeconomic difficulties, whilst at the same time, building a country where every person's fundamental rights are guaranteed, respected and protected. Those who are perpetrating violence must be brought to justice.

**Honourable Speaker,**

Last year on the 17<sup>th</sup> of August, standing on this very same platform during the Inauguration of Council, we invited all the people of Lim345, to join us in ensuring that the objectives with which this municipality was founded are duly achieved – particularly those of providing unbiased quality services and building an inclusive society that embraces diversity.

We have identified this as the only way to ensure the true union of the people, with a paramount responsibility of uniting all South Africans across the racial and tribal divide, which was instigated by a minority oppressive regime that was not based on the will of the people.

The idea that brought about the establishment of Lim345 Municipality has never lost its original meaning or rhythm. We are hard at work in building a united, non-tribal, non-sexist and a prosperous society that is tolerant to each other and underpinned by democratic ethos.

*Hiswi tiva kahle leswaku masipala wa Lim345 wu korhokela vaaka-tiko hinkwavo hi vutiyimiseri na vutihlamuleri. Hiko-kwalaho, hi nga ka hi nga pfumeleli ku avana ku nghena exikarhi ka hina. Hikuva sweswo, swi ta va swi ri xikombiso xa leswaku hi lahlekile eka ndlela leyi varhangeri va hina va nga hi komba yona. Nakambe, hiku endla leswi, hita tsandzeka ku fikelela makungu ya hina yaku antswisa vutomi bya vaaka-tiko. Hikokwalaho, hi ya emahlweni hi kondletela vunwe na ntwanano eka vaaka-tiko hinkwavo.*

**Honourable Speaker,**

Through this budget, we want to build an inspired and patriotic society that is able to confront inequity, poverty, hunger, unemployment, diseases and all other socioeconomic challenges facing our people. The significance of ensuring that everyone thrives and no one is left behind cannot be overemphasised.

We will not slumber until our electoral mandate of restoring the dignity and pride of the people is finally realised and sustainable. We will forge ahead with the programme of action that improves the living conditions of our people. In order to ensure that this happens, we must align our priorities with the National Development Plan as our country's roadmap to a better life for all.

This budget is therefore designed as the foundation to set out a resource plan, for intensified implementation of the National Development plan, which obliges for intensified economic and social transformation

Our Development plan, like the NDP must be aimed at eliminating poverty and reducing inequality by the year 2030. It must offer a long-term perspective; define a desired destination and identify the roles that different sectors of society need to play in reaching that goal.

There are several broad principles that flow through the NDP, and to which our Municipal Development Path must be concentrated, namely:

- It is a programme for inclusive growth – Entailing our social programmes, promotion of agriculture and rural development, skills and training initiatives, investment in municipal services and creating opportunities for all and broadening economic participation;

- It is a plan for a strong mixed economy – In which public services and state actions complement private investment, expansion of trade and social enterprise;
- It recognises that improvements in the quality of education are the foundations of broad-based growth, productivity improvement and sustainable growth;
- It acknowledges that investment in infrastructure has to be enhanced and sustained both to underpin economic growth and address the spatial inefficiency and fragmentation of the apartheid landscape;
- It emphasises that employment creation has to be accelerated if growth is to be inclusive, and that income security for all relies also on appropriate social security, health services and social development programmes;
- It further prioritises building the capability of the state, and strong leadership throughout society, to drive development and promote social cohesion; and
- Lastly, it highlights that partnership between government, business, organised labour and civil society is the key to policy coherence and more rapid development.

Accordingly, this budget that I am presenting today is guided by the National Development Plan. It is a budget for inclusive growth, it emphasises partnerships amongst role players in our economy, it prioritises education and infrastructure investment, it supports employment creation and it contributes to building a capable, developmental community.

### **Honourable Speaker,**

During our Strategic Planning Meeting in September last year, we committed ourselves to work towards a common goal of making

people's lives better; developing our people and achieving on our set vision and a positive audit opinion. In order to achieve this, we must be guided by the **Back to Basics** methodology, which becomes a path to all our focuses, based on five broad areas, namely:

- Putting people first in line with the Freedom Charter;
- Engaging with communities;
- Delivering basic services;
- Ensuring good governance; and
- Enforcing sound financial management and building capacity.

*Ndi tama u khwathisedza vuthogwa ha kulangulele kwa masheleni sa fhethu he ra sedzesa hone kha u khwisisa matshilo a vathu. Vhathu vhashu vho ri fulufhela nga vhudifhinduleli ha masheleni avho. Nga nthani ha zwezwo ri tea u langula hayo masheleni nga ndila kwayo, nahone I bindulisaho nga zwiko zwezwi zwa si gathi.*

**Honourable Speaker,**

In his articulation of a relationship between budgets, values and visions, **Bhikkhu Bodhi**, an Author of several publications, examined that:

***“The progressive vision flows from a different set of insights than its two rivals. Central to this vision is the understanding that people are essentially social beings whose own good is intimately tied to the good of others. Society, from this perspective, is not a chance assemblage of discrete individuals, thrown together in a brute struggle for dominance.***

***It is, rather, a vital organism in which people are living, breathing cells. Like any organism, the social body comprises cells of diverse types, with their own functions and capacities, but it invariably thrives best when all thrive together.***



***Greed and selfishness may be deeply rooted in human nature, but they do not define us, nor does their persistence require that we use them as the guidelines to budget priorities and national policies. Rather, in this vision, greed and selfishness are seen as deviations from our finer inclinations.*** (Close quote)

In the same vein, particularly in the spirit of celebrating democracy and freedom, we have drafted our budget in a manner that:

- Reaffirms a people-centred budget;
- That seeks to restore the confidence of local communities in their municipality;
- Rebuilds and improve the basic requirements for a functional, responsive, accountable, effective, and efficient developmental municipality;
- Provide sustainable services, with much more improved quality;
- Accelerate the broadening of services to areas where there is none; and
- To ensure that our municipality's outlook enables us to be a preferred destination for growth and development.

Today I stand here to reaffirm the resolute commitment of this Council to always give precedence to the will of every member of Lim345 community. We comprehend that this budget is not only about figures, but:

- A reflection on the needs of the people;
- It is about the provision of democratic and accountable government to communities.

Therefore, as the first administration of Lim345, during this fifth phase of local government, we will not divert from the electoral mandate of serving the people wholeheartedly! We will make Lim345 a

municipality that is zero-tolerant of corruption, fraud and maladministration.

**Chinua Achebe** in one of his writings said:

***“Our country must morally re-arm. We cannot run a country where virtue is vice and vice is virtue. We cannot live in a country where the looters of yester-years assume they have undergone a Pauline conversion because they are in opposition and oppose the Government of the day. Some of our richest men and women are to be found in politics and their creed is, you shall reap what you have not sown”.*** (Close quote)

With these words, I call on all residents of Lim345 Municipality, to report any form of misconduct or suspicions of corruption and fraud. These are not going to be tolerated as they seek to undermine our democratic values. As a municipality, we will conduct Fraud and Corruption campaigns where we will educate people about the damage that an abuse of state resources does to the poor majority of our communities.

Our people must report suspicions of corruption or fraud on this Hotline: **086 668 538**.

**Honourable Speaker,**

Without any further ado, allow me to quickly proceed and outline our achievements as per departments and programmes.

With regard to **Public Participation;**

Lim345 municipality confirms that public participation is a political principle or a practice which seeks to facilitate public involvement, empowerment and contribution in the decision making of three spheres of government. Through this human-centric principle, our

municipality has developed a **'people first paradigm'** and believes in a durable change as mandated by the 1990 African Charter for Popular Participation in Development and Transformation.

This notion is also embedded in Chapter 2 section 15 sub-section 1(c) of our constitution, which obliges municipalities to encourage the involvement of communities and community organizations in matters of local government.

Therefore, our municipality is obligated to work hand in glove with communities and to constantly report back about future developments and faced challenges in dispensing of service delivery. Through our Mayoral Public Participation Meetings, commonly known as **"IMBIZO,"** we have managed during this financial year to visit two wards, namely:

- Ward 18 where community members assembled at Phaphazela Village on the 7<sup>th</sup> of December 2016; and
- Ward 11 where community members assembled at Makhasa Sport Ground on the 7<sup>th</sup> of March 2017.

We were also tasked with the responsibility to organise national, provincial and district IMBIZOs, namely:

- The Premier's EXCO Outreach Program at Mudabula Village on the 14<sup>th</sup> of October 2016.
- We further hosted the District IMBIZO, which was held at Nwamatatani Village under Ward 10 on the 16<sup>th</sup> of November 2016.
- Ministerial IMBIZO and Launch of Vhembe TVET College – Shingwedzi Campus, led by the Minister of Higher Education and Training, **Dr Blade Nzimande**, which was held on the 9<sup>th</sup> of December 2016 here at Malamulele Stadium.

- Ministerial IMBIZO, which was led by the Former Minister of Public Service and Administration, **Mr Ngoako Ramatlhodi**, on the 10<sup>th</sup> of February 2017 at Balanganani Sports Ground under Ward 12.
- Finally, on 15 of May 2017, we accompanied the new Minister of Public Service and Administration, **Minister Faith Muthambi** during her outreach programme at Balanganani Village, where she handed bicycles and school shoes to learners and sports kit to elders of Ward 12.

Through all these Outreach Programs, we listened to our people's multiple service delivery needs. We also made pledged to provide shelters to the identified needy families in those wards. We did not go there for mere compliance purposes, but to pinpoint the needs of the people, as opposed to sitting in offices reading papers and drinking cold water.

We still have two (2) outstanding IMBIZOs that are due to take place in June. On the 2<sup>nd</sup> of June next month, we are going to ward 34 at Mashobye Sports Ground. Our plan is to have four Mayoral Roadshows in each financial year – one per quarter. We are not a government of beautiful slogans and nice speeches. We are a government that serves the people.

### **Honourable Speaker,**

We have adopted a child-headed family in line with the resolution of the Provincial Aids Day Commemoration 2016, which took place on the December 2016 at the Greater Giyani Municipality. The Premier of Limpopo, **Mr Stan Chupu Mathabatha** instructed all Mayors to adopt a poor child headed family, in order to promote the inclusivity of our economy. My office has thus identified a poor family from Ward 24 - Dinga village.

The Mabasa family of seven youngsters depends on social grants, and without paternal guidance, they are a vulnerable household:

- We went there and vowed to provide them with an additional structure to the already existing dilapidated house, to give them a safer structure.
- We also promised to fix their electricity wiring since it was not properly fitted and therefore, unsafe to use. My office is communicating with relevant people for such arrangement;
- Lastly, we pledged to ensure that the older ones who have passed their matric are admitted by an institution of higher learning.

I am pleased to inform you that although we have not yet built them a house, but we managed to engage Vhembe TVET College, and Shingwedzi Campus will be enrolling two of the elders in courses of Business Studies starting from July this year.

We have also embarked on another process of assisting them with food parcels through the Department of Social Development. Necessary procedures and assessments will however need to take place before this can be implemented.

**Honourable Speaker,**

We have launched our Traditional Leaders Forum; a forum for people living with disability; Traditional Healers Forum, NPO Civil Society Forum and a forum for the Old Aged. We will soon launch our Pastor's Forum, Business Forums and many other forums that will enable us to constitute sound decisions in the interest of the people.

We also undertook thorough consultative processes between the months of March and April 2017, to canvas the inputs of the community for incorporation into the municipal Integrated

Development Plan for the 2017/2018 financial year. We also engaged with community members about their service priorities during the IDP Rep Forum which took place on the 22<sup>nd</sup> May 2017 at Shingwedzi TVET College Campus Hall.

Our presence here this morning is a culmination of a long and arduous journey of consultation, a process reminiscent of participatory democracy. Indeed, an umbrella concept characterizing both the IDP and Budget processes is public participation. This ultimately defines a joint analysis, development of action plans and formation or strengthening of local institution. Therefore, a critical question may be asked:

***‘To what extent is this IDP and Budget, based on the will of people?’***

**Honourable Speaker,**

The Freedom Charter, in line with the Local Government Manifesto and the Municipal Core Mandate states that:

***“Only a democratic state based on the will of the people, can secure to all, their birth right with regard to colour, race, sex and belief... All people shall be entitled to take part in the administration of the country...”*** (Close quote)

By this phrase, the 1955 Congress of the People envisioned the peoples’ government to explore participatory democracy beyond the slogan ***‘The People Shall Govern.’***

In his budget speech, the former Minister of Finance, **Honourable Pravin Gordhan** stated, and I quote, that:

***“Political emancipation is just the beginning of our journey towards justice and equality. In exercising the responsibilities that flow from***

***democratic participation, we have the opportunity to create a better future for all.*** (Closed quote)

Judging from this, it is clear that our plans for the period ahead are anchored on transformation-imperatives that will accelerate growth, create work opportunities and build a more equal society.

**Honourable Speaker,**

Lim345 municipality remains guarded through the realities of unstable global economy that is having a negative impact in the entire South Africa's fiscal position, yet our ambition's strategies of poverty alleviation and the strengthening of our rural economy remains the pillars of our existence.

We have consciously crafted this budget to strike the middle ground on the bold initiatives that we want to undertake and the austerity measures that will easily come to effect. As we are a municipality that is eager to establish sustainable livelihood, we cannot do this without a sustainable budget.

This effectively means that in certain service delivery areas, we will be obliged to take tough austerity measures to restrict our spending. We will do this invigorated by the words of the first democratic president Nelson Mandela who said and I quote: ***"It always seems impossible until it is done!"***

**Honourable Speaker,**

Although we know and acknowledge that there is still a lot to be done, but we are ready to play our part. Through our own strategic plan, hard work, consorted efforts and dedication, we will secure a series of achievements in the near future, aligned to the National Development Plan and our core mandate as a local government. In view of the local

government mandate, our areas of focus on service delivery will ensure among other things, that:

- We encourage participatory democracy by marrying our programmes with public participation ethics as enshrined in Chapter 2 section 15, 1(c) of our constitution;
- We should access more and more of our people, especially exposing youth to adequate education and training to enable them to participate productively in the economy and society;
- We are to expand the provision of clean water, electricity, sanitation and roads in rural communities and empower communities to end hunger by productively using the available or redistributed land;
- We should again and again support small enterprises, cooperatives, informal sector, and rural small farmers and establish community and village markets with non-financial and financial means, as a way of ensuring food security while improving household and community income; and
- As a caring nation, we need to intensify and equitably distribute resources to our special groups such as the people with disability, women and children.

**Honourable Speaker,**

It is also worth mentioning that the budget laid ahead of us today, our Integrated Development Plan and consultation meetings with communities certainly put us at the path to defeat poverty and intensify our socio-economic freedom. In partnership with our Communities, Local Business people, Traditional Leadership, Sector departments, Provincial and National sphere of government, a society based on democratic values, social justice and fundamental human rights shall prevail.



Let me also indicate that we have already sat with the leadership of Vhembe People First Movement on the 19<sup>th</sup> of May 2017, and they have pledged to unconditionally support the municipality through thick and thin during the term of this administration and beyond.

With this kind of support, **Honourable Members**, we are guaranteed to achieve every goal we set for this municipality, mainly that of building a better Lim345 Municipality.

With regard to **Education, Honourable Speaker**,

We regard education as the foundation for a great nation. We are also inspired by the word of Nelson Mandela, who regarded education as *'the most powerful weapon which we can use to change the world.'* Although we have been fazed by challenges, particularly in the areas of Vuwani, where schools were burned and the flow of education was disturbed, we still believe that the current crop of learners will make us proud at the end of this academic year.

Between the 16<sup>th</sup> and the 20<sup>th</sup> of January this year, we visited a number of schools on our Mayoral Back to School Programme, where we saluted the hard work invested by learners, teachers, school governing bodies, parents and the Department of Education in the 2016 academic year. Our special message of appreciation was due to all teachers who are working hard in their quest to improve education system in Lim345.

We also used this programme to encourage learners who did not make it in the 2016 academic year to work harder, stay focused and use the second opportunity wisely to ensure that they pass at the end of the 2017 academic year. I am confident that this year, Lim345 will be one of the best contributors in the national pass rate. We expect 80 per-cent and more at the end of this academic year.

Let me use this opportunity to appreciate all teachers who walk long distances to their respective teaching places. They constantly remind us about the true character of patriotism and selflessness to the agenda of education in our nation.

**Honourable Speaker,**

Together with the Minister of Higher Education and Training, Dr Blade Nzimande, we officially opened the doors of learning on the 9<sup>th</sup> of December 2016 – as blatantly stipulated in the Freedom Charter. Our people used to travel long distances and cross nations to access tertiary education. We are pleased to indicate that Vhembe FET College – Shingwedzi Campus – is up and running today.

Our people – particularly the youth – must take advantage of this seminary and get educationally empowered. My office will, in a few years' time, establish a Mayoral Bursary Scheme that will cater for learners who will excel in their matric, but unable to further their education with higher learning institutions because of lack of funds. That is important in the agenda of this municipality going forward.

On issues relating to **Employment and Skilling,**

**Honourable Speaker,**

We acknowledge as a municipality, that we live in an extraordinary time in human history – a time of immense transition, of profound risks, but also of great opportunities. For that reason, we need to work tirelessly in mapping our Growth Path that will:

- Lead to great creation of jobs;
- That will ensure an equitable distribution of benefits;
- That will reduce inequity, ignite industrial development; and
- Transform our rural and semi-urban communities.

In charting this course, we must be mindful of the specific realities of our circumstances and the changing shape of the national and global economy. As **Comrade Chris Hani** so rightly said:

***“We want to build a country free from hunger, diseases and poverty, free from ignorance, homelessness and humiliation, a country in which there is peace, security and jobs.”*** (Close quote)

Similarly, **President Jacob Zuma** outlined our national programme of action during his state of nations address in February 9... and the vision of the ANC led government for the future is abundantly clear. The president said and I quote:

***“We want to have a country where millions more South Africans have decent employment opportunities, which have modern infrastructure and vibrant economy and where the quality of life is high.”*** (Close quote)

**Honourable Speaker,**

We resolved as government – that the youth must be at the centre of every development in order for Radical Economic Transformation to work, and to ensure a brighter future with inclusive economic benefit.

Therefore, the developments that take place in our country, including those that are due to take place in Lim345, clearly require that we accelerate the process of skilling our people – particularly focusing on the youth and women. The massive infrastructure initiatives and sustainable usage of such infrastructure projects, will require a skilled workforce that is patriotic and selfless.

Indeed, this is the time when young people who are the most affected by the issue of unemployment, and the womenfolk who have been side-lined for many centuries must position themselves very well in order to benefit from our Inclusive Development Paths.

Already on **Job Creation,**

**Honourable Speaker,**

During the 2016/2017 financial year, we have created 208 jobs through Expanded Public Works Programme (EPWP). We are also partnering with Youth Entrepreneurship Projects (YEP), which is a funded institute that go all-out for the course of total poverty alleviation through youth skilling and local capacity building.

They are working with us in delivering the Economic Emancipation to our youth through programs, initiatives and projects that are focused on Radical Socio-economic Transformation. Already we have housed them at the Club-House where they are transferring skills to our youth. I am pleased to indicate that on the 23<sup>rd</sup> of June 2017, we will be officially launching their programme here in our municipality, and the first crop of trainees will be getting their construction certifications during the graduation that will take place the same date.

In partnership with YEP, The Department of Public Works have trained 30 selected LIM345 young entrepreneurs from Monday 22 to Friday 26 May 2017, on a program of *'Improve Your Business.'* This was a course from the International Labour Organisation (ILO) and an investment of R10 000-00 per participant was made.

**Honourable Speaker,**

We are also in a comfortable partnership with the National Youth Development Agency (NYDA) which is currently based in Thohoyandou, offering various services to the youth of both Vhembe and Mopani Districts. following a brief meeting on the 26<sup>th</sup> this month with Mr Shirindza, who is managing NYDA in this district, I am confident that we will have a youth centre in Lim345 where our youth will access services without having to travel long distances.

Furthermore, NYDA in partnership with YEP has just concluded the training of 36 participants on ***Business Management*** and ***Life-skills*** courses on the week of 26 of May 2017. This week, **National Home Builders Registration Council (NHBR)** is busy training youth on ***Inspectorate Course*** and ***Health and Safety***.

**Honourable Speaker,**

Through these and many other programmes that will unfold, we are getting the youth ready for employment opportunities as we build an inclusive economy. NYDA is also offering scholarships and bursaries, such as the Solomon Mahlangu Bursary Scheme. Our youth – particularly those that are coming from indigent families – must consult their offices. Youth must be the catalysts of change through empowerment programs and projects like these.

**Steve Biko** was right when he said, ***'A nation that does not invest in its youth has no future.'*** As such, our Local Economic Development (LED) offices will be capacitated to ensure that our objectives are all met and the youth who wish to establish cooperatives and businesses are given necessary exposure in the national and – at best – global market.

Today's budget presentation sets us on a path **Honourable Members** that will be neither easy nor uncontested. Hard work and difficult choices lie ahead. But the journey is underway. We have embarked on a long walk to economic freedom for the people of Lim345. Our people aspire to these freedoms:

- Freedom from poverty;
- Freedom from need;
- Freedom to exercise our talents and thrive as individuals;

- Freedom to work together as communities, as organised social formations, as business enterprises, as a group and forward looking society.

This budget will make Lim345 work smarter, harder and differently. It is our first assurance in making this a municipality to be reckoned with. We use this budget to build a concrete foundation for the generation of councillors that will come after us, and a lively society filled with job opportunities for our children and their children.

**On Planning and Development,**

**Honourable Speaker,**

The planning and development of our municipality relies on Spatial Development Framework which enhances the implementation of IDP spatially. It gives effect to the principle of land development, set out objectives that reflects the desired spatial form in our municipality and also set out basic guidelines for land use management.

Through the basic principles of Spatial Development Framework Lim345 Municipality has identified 4 nodal points as the means of bringing service delivery closer to communities. Those nodal points are Malamulele, Saseleman, Hlanganani and Vuwani.

Our development in these nodal points focuses on the establishment of accessible road links which automatically serve as strategic networks to the establishment of a fully-fledged town and more urbanized type of settlement.

This will automatically serve as a catalyst in the establishment of new Rural or Community service centres which in a sense is identifying and developing new emerging settlements.

**LED**

The Local Economic Development (LED) unit forms part and parcel of planning and development. It involves some degree of structured co-operation between the coordination of activities of various stakeholders in our local economy. In all the sectors such as Tourism, Agriculture and SMMEs the following must be achieved during 2017/2018 financial year:

- We must ensure improved relationship between the Department of Agriculture and Farmer's Union;
- Ensure that small farmers have financial support;
- Develop an agricultural strategy;
- Ensure that well-established farmers provide mentorship and assistance to small farmers;
- Invest in farmers with commercial potential to enhance local economy; and
- Advise the Department of Agriculture to invest with existing farmers before establishing new projects.

We currently have 10 irrigation schemes that are functional, namely: Morgan; Dovheni; Makuleke; Makumeke; Chivirikani; Malwele; Malwele; Gonani; Mahungu and Xigalo irrigation schemes. We have also registered 36 cooperatives.

Some of these projects are funded by the Agriculture and Rural Development while others are still looking for funders. As a municipality, we will visit these projects and ensure that potential funders are secured and people are employed.

**Honourable Speaker,**

We are collecting waste in and around urban and rural areas. We are currently utilizing the Thohoyandou Block J landfill as a dumping site through our agreement with Thulamela Municipality. However, we

are in a process of acquiring our own landfill licence for the Xigalo waste site.

### Regarding **Housing**,

The ANC led government has resolved that the provision of housing is one of the fundamental aspects of addressing the immense socioeconomic problems brought about by the consequences of the struggle against its predecessors under the Apartheid regime. Specifically, it set its sights on alleviating poverty and addressing the massive shortfalls in social services across the country.

In line with this, Lim345 Municipality had an allocation of 800 RDP units from the Provincial Department of Cooperative Governance and Traditional Affairs during the 2016/2017 financial year. A total of 800 indigents were identified and houses will be built to improve lives and close the gaps that exist between the rich and poor members of society. We still have a housing backlog of more than 23 000, and the department of CoGHSTA is in a process of assisting the municipality with the development of a Housing Charter.

We can all attest to the fact that achieving poverty alleviation and a stronger economy are deeply interrelated and mutually supporting objectives of democracy. This government will therefore, stop at nothing to achieve an inclusive economy where everyone thrives.

### **Honourable Speaker,**

#### In terms of **Revenue Enhancement:**

We are to commit ourselves to maintain our standards, transform where there are no standards and be a preferred destination for growth and development in Limpopo. We know that to succeed with our budget, our communities should pay for their services, register in



the indigent database and wisely harness to available resources at our disposal.

We are strongly relying on our traditional leadership who should catalyse our enormous uncertainty on revenue collection from our communities. We sincerely hope that they'll convince our communities to pay for their services in time, with the understanding that the more we are able to collect, the more we progress.

Our municipality – through the Office of the Mayor – will embark on Mayoral outreach programmes, Traditional Leaders Forum, Faith Based Forum and Tribal Authorities visits, with the aim of intensifying our relationship and encouraging consumers to pay for services.

Our strength as the municipality lies on our will and wisdom to take a leap forward and engineer our business with energized confidence, while taking into cognizance that our budget is posed for progress for as long as we continue to be stable and remain smarter in prioritizing for our nation.

We are to foster a positive investment climate in our municipality and set ourselves on an elevated trajectory, by spending much on capital investments through informed Infrastructure Development Plan, as opposed to our operational expenditures. This will give our people more opportunities to participate productively in our economy.

**Honourable Speake,**

Allow me to go straight to the business of the day and present this Budget for 2017/2018 financial year as mandated by Municipal Finance Management Act (Act 56, of 2003).

Section 16(1) of the MFMA state that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

In order for a municipality to comply with the above indicated statement, the council of the municipality must at least 30 days before the start of the budget year consider approval of the annual budget.

The municipality was able to record progress on the provision of basic services in first year of its existence; however, we still need joint efforts and hard work to continue providing services to our community. In the current year (our first year of existence) the Municipality is operated with insufficient human capacity, however, the municipality is at verge of finalising the recruitment process to ensure that the departments are capacitated to render services effectively.

### **Total Revenue**

Description	Financial Year(s)		
	2017/2018	2018/2019	2019/2020
Operating revenue	R344 636	R369 665	R381 044
Capital budget	R106 615	R95 345	R106 478
<b>Total budget</b>	<b>R451 251</b>	<b>R460 010</b>	<b>R487 522</b>

- The total projected revenue for 2017/18 is R 451 million which comprise of operating revenue of R344 million and capital revenue of R106 million. The total revenue reflects increase of 23% from 2016/17 adjustment budget.
- The capital revenue budget is channelled to address service delivery backlog, government's service delivery priorities and the municipality further made a provision to supplement funding of capital projects and procurement of assets through internally generated funds.

### **Expenditure**

#### **Operating expenditure**

Description	2017/2018 Medium Term Revenue and Expenditure Framework			
	Adjustment budget 2016/2017	Budget year 2017/2018	Budget year 2018/2019	Budget year 2019/2020
Employee costs	R89 591	R113 805	R120 292	R127 029
Remuneration of Councillors	R29 049	R30 098	R31 784	R33 564
Depreciation and asset impairment	R35 000	R38 000	R42 000	R45 000
Finance changes	R396	R400	R410	R420
Materials and bulk purchases	R4 731	R5 043	R8 376	R12 000
Transfers and grants	R4 000	R3 000	R3 171	R3 349
Other expenditure	R75 096	R75 374	R90 227	R96 324
<b>TOTAL EXPENDITURE</b>	<b>R237 864</b>	<b>R265 721</b>	<b>R296 260</b>	<b>R317 684</b>

- The increase of employee related costs has taken into account the approved organizational structure, number of post to be filled and SALGBC agreement.
- The cost associated with the remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality budget.

### Capital expenditure

Vote description	2017/2018 Medium Term Revenue and Framework			
	Adjustment budget 2016/2017	Budget year 2017/2018	Budget year 2018/2019	Budget year 2019/2020
<b>Funded by:</b>				

National government	R108 737	R106 615	R95 345	R106 478
Transfers recognised – capital	R108 737	R106 615	R95 345	R106 478
Internally generated funds	R14 233	R25 000	R20 000	R18 000
<b>Total capital funding</b>	<b>R122 970</b>	<b>R131 615</b>	<b>R115 345</b>	<b>R124 478</b>

- The total capital budget in 2017/18 is R131 million, in 2018/19 is R115 million and in 2019/20 is R124 million. The internally generated funds were used to supplement the capital budget for the implementation of capital projects and procurement of assets.
- The internally generated funds in 2017/18 is anticipated to be higher than the two outer year on the basis that Lim345 is still a newly established municipality. In 2017/18 the municipality is envisaged to procure couple of assets in order to render the service effectively.

### **Grants and Equitable Shares**

<b>Description</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Equitable Shares	R304 695	R325 128	R339 170
Financial Management Grant	R2 345	R2 345	R2 345
EPWP	R1 000		
Municipal Demarcation Transitional Grant	R6 847		
Municipal Infrastructure Grant	R83 480	R88 345	R93 478
Integrated National Electrification Programme	R18 000	R7000	R13 000

### **Tariffs**

**Honourable Speaker,**

The proposed tariff increase is projected to be 6% in 2017/18, 5.7% in 2018/19 and 5.6% in 2019/20. The envisaged increase was projected in accordance with consumer price inflation and MFMA circular 86. The proposed tariff increase took into cognizance the affordability of tariffs by community and this will allow the municipality to generate sufficient revenue to sustain its operations.

In the current year Makhado and Thulamela Municipality is billing and collecting revenue for property rates on behalf of the Lim345 Municipality, however, the municipality has since developed a valuation roll, the rates have been set and the implementation will start from 1 July 2017.

### **Recommendations**

- The executive committee recommend that the council adopt the 2017/18 MTREF;
- The executive committee recommend that the council adopt the budget related policies and by-laws, namely:
  - Asset management policy
  - Credit control and debt collection policy
  - Bank and cash policy
  - Budget policy
  - Write-off policy
  - Indigent policy
  - Long term financial planning policy
  - Supply chain management policy
  - Inventory policy
  - Sundry receivable policy
  - Trade and sundry payable policy
  - Provisions policy
  - Grants policy

- Books of accounts policy
- Tariff policy and by law
- Veriment policy
- Property rates policy
- Subsistence and travel policy
- Investment and cash management policy
- Property rates notice
- Property rates by law

**Honourable Speaker,**

Allow me indicate – before surrendering this podium – that as Council, we shoulder the responsibility to build a better Lim345. We have taken on the challenge that the legacy of apartheid left on us as a nation – a legacy of disempowerment, landlessness, injustice of opportunity, and millions of unemployed young people who cannot see a realistic prospect for decent life. Confronting these realities is not about blaming the past or denying our own shortcomings.

It is about recognising that now is the time to do extraordinary things, in dealing with our particular development circumstances. It requires new ideas and bold efforts from all: government, business, labour, communities and every family. We must show across the economy, the game-changing strengths we have shown in big issues, from creating our democracy to the formation of this municipality. We need to ignite the flame of higher inclusive growth and sustain it.

Let me also thank my Council colleagues for their support. This budget is our collective statement. Your positive and encouraging contributions are most helping. The administration team under the leadership of the Municipal Manager have shouldered an immense responsibility to implement our fiscal system and provide bold advices

to Council. We have absolute confidence in your abilities and experience.

Let us always remember that the damage done in one financial year can sometimes take twenty years to repair. We ought to believe that a budget tells money where to go, instead of wondering where it went. Let us plan our work and then work our plan.

**I thank you!!!**

**Ndza khensa!!!**

**Ndo livhuwa!!!**