



**EXECUTIVE MAYOR'S BUDGET SPEECH 2009/10  
29<sup>TH</sup> MAY 2009-BOPHELONG STADIUM**

***“A JOURNEY TOWARDS A BETTER LIFE”***

**HONOURABLE SPEAKER: Councillor GRETA HLONGWANE  
EXECUTIVE MAYOR OF SEDIBENG: Councillor SY MOFOKENG  
MAYORS and SPEAKERS FROM OUR SISTER MUNICIPALITIES  
THE CHIEF WHIP of council: Councillor THULANI KUNENE  
MEMBERS OF THE MAYORAL COMMITTEE  
COUNCILLORS  
LEADERS FROM VARIOUS POLITICAL PARTIES AND CIVIC  
ORGANIZATIONS  
THE ACTING MUNICIPAL MANAGER: MR. TSIETSI MOETI  
MEMBERS OF SENIOR MANAGEMENT AND OFFICIALS OF COUNCIL  
MEMBERS OF THE COMMUNITY  
THE BUSINESS FRATERNITY  
DISTINGUISHED GUESTS  
FRIENDS FROM THE MEDIA  
LADIES AND GENTLEMEN**

**INTRODUCTION**

**Ke a ledumedisa**

**I dedicate my speech to the children of the world in advance.**

Let me also acknowledge the presence of my wife and pay special tribute to the people of Bophelong for hosting us. We thank you for your WARMTH and HOSPITALITY.

Madam Speaker, Emfuleni has traveled a long tedious journey. The road thus far traversed was challenging.

But it was a journey full of hope and resilience, it was a journey that was navigated by our ancestors, Kings, heroes and heroines before us, Cetshwayo, Shaka, Sekhukhune, Moshoeshe, Nghunghunyane, Makhado, Makana, Inkosi Albert Luthuli and men and women who made us gather here today as proud citizens of a non-racial, non-sexist and democratic South Africa.

Emfuleni is a land cultivated on rich soil, steeped, in history, to germinate seeds that will nourish its citizens who are hungry for prosperity, job opportunities, peace and friendship, housing, education, security, good health, comfort, equality before the law and most importantly, **the right to dignity**.

We are a nation united in diversity and united by a common vision that continues to guide us through our journey towards an equal society where the will of the majority shall reign supreme.

## **WORLD ECONOMIC CRISIS**

As we continue with this journey, Madam Speaker, we do so amidst the world economic crisis that accounts for joblessness, starvation, high interest rates and soaring oil and food prices.

On Tuesday the 26<sup>th</sup> of May 2009 Statistics South Africa released a report on a declining economy which moves the country into a recession. These are difficult times indeed.

This is also borne by the fact that the National Gross Domestic Product fell by 6.4%. We are yet to feel the full impact on unemployment as this economic recession will result in job losses. It is the worst economic decline in twenty five years.

We need to position ourselves as a municipality to cushion the impact of the global economic crisis.

Therefore Madam Speaker, in preparing our budgets we have done so in the context of this economic crisis and slowdown.

There were many tough questions that needed to be addressed during the budget process.

- How is the global slowdown in the world going to impact on the local economy?
- How will it impact on the demand for municipal services by business and households and how this will impact on municipal revenues and provisions for doubtful debts?
- How will it impact on employment and household incomes within the municipal area and what impact will this have on residents' ability to pay for services?
- Will there be an increase in the number of households that qualify to receive rebates and discounts and free basic services in terms of the municipality's indigent policy?
- What will be the financial impact of providing these free basic services?
- What will be the impact on the municipality's ability to finance planned capital projects and will this result in any delay of capital projects?

Therefore Madam Speaker, the following areas have been identified as high priority areas: -

- Managing all revenue streams;
- Protecting the poor from the impact of economic downturn;
- Macro economic policies that support meaningful local economic development initiatives that foster micro and small business opportunities and job creation. Our Supply Chain Policy which is currently under review and consideration is being given to increasing the percentage of contracts to be awarded to emerging contractors.

- Maintaining our asset base by increasing spending on repairs and maintenance and most importantly;
- Expediting spending on all capital projects, including grants.

## **TARIFFS**

Electricity rates increases are determined by National Energy Regulator of South Africa. This increase is budgeted at 34%.

The water rate increase has been determined by the increase of Rand Water's bulk cost, which is at 15%.

As a local municipality we are compelled to apply these high tariffs. These are circumstances beyond our control.

We have however restricted other tariff increases to 6.8%.

## **MUNICIPAL PROPERTY RATES**

The Municipal Property Rates Act which we are compelled by the law to implement from 1<sup>st</sup> July 2009 equalizes the valuation of property for the first time across South Africa.

The rates income has been budgeted at R438 million. The municipality is foregoing R127 million of this income in the form of exemptions, rebates and reductions to protect the poor, indigent & ordinary households.

## **INDIGENTS**

In this tough economic environment protection of the poor and vulnerable has been budgeted for. As a municipality we have accommodated 50 000 indigents.

The cost of indigent support is budgeted at R175million.

## **REVENUE**

The Municipality's revenue is budgeted at R2.85 billion. The source of revenue is as follows:

- Electricity R850 million
- Water R429 million
- Rates R310 million
- Grants at 21% of total revenue and
- Other revenue making up the balance of 19%

## **EXPENDITURE**

This revenue of R2 85 billion is budgeted to be expended as follows:

- Bulk purchase of electricity, R675 million;
- Bulk purchase of water at, R268 million;
- We will be spending 7% of R2.8billion on repairs and maintenance;
- 21% of the budget is allocated to employee cost;
- 14% will be a provision for doubtful debts and;
- 25% being allocated for other expenditure and capital contributions.

Madam Speaker special attention should be paid to the elimination of all unnecessary spending on nice-to have items and non-essential activities.

We must ensure that our financial position remains sustainable over the medium term, even in the face of these tough times.

## **NATIONAL SUPPORT**

In so doing the national government has sought to insulate the local government sphere from the full impact of the slowdown in national revenue collections.

An additional R11.3 billion has been allocated to all municipalities across South Africa over the medium term. This translates to a growth of 12.3% annually from 2008/2009 to 2011/12 financial years which is significantly higher than the average annual growth in total government expenditure. This clearly demonstrates the ruling party's commitment to service delivery.

## **CAPITAL EXPENDITURE**

**The total Capital Expenditure budget is in excess of R360 million.**

Roads and Storm Water have been allocated R117 million.

The allocation for Electricity totals R47 million.

Water services infrastructure has an allocation of R57million.

R59 million has been budgeted for Public Safety and Community Development.

Ward based projects have been allocated R60 million in addition to R40 million brought forward from the last financial year.

## **BUDGET GROWTH**

Our budget has grown by 25% from the 2008/2009 budget.

The increase is as a result of new tariffs for electricity, water and municipal property rates which account for R380 million.

Grants increased by R169million and other income by R11million which moves our budget to R2.85Billion.

Hare etsa jwalo, re tlamehile hore batho barona ba fumana di tirelo tse di tla fetolang maphelo a bona hore ho be le mesebetsi le dijo. Ho hloka mesebetsi le ho robala ka tlala ho nyenyefatsa seriti sa batho.

## **SERVICE DELIVERY AND INFRASTRUCTURE**

Madam Speaker, service delivery constitutes the essence underpinning the existence of local government. This budget therefore serves as a vehicle to attain the core strategic objectives of Emfuleni, which is geared towards service delivery.

The budget strives to push back the frontiers of poverty to create opportunities for jobs where our youth and women will be primary beneficiaries. This will be done through the Extended Public Works Program and learnership's to empower the vulnerable sectors of our communities with skills and expertise to meet the demands of the complex job market.

In delivering services to our community we must uphold the principles of Batho-Pele and hence Emfuleni's motto of "You-Belong-We Care".

I stand before you Madam Speaker and say with confidence and pride that the sons and daughters from Bophelong, Boipatong, Tshepiso to Sharpeville, from Three Rivers to Rustervaal, from Vanderbijlpark and Sebokeng to Evaton, and across Emfuleni will witness development and improvement moving at a faster pace.

We are in the final stages of completing our infrastructure master plan. For the first time Emfuleni will have a plan that will coordinate development in an orderly fashion.

A program to resurrect our parks is underway as a Mayoral Flagship Project. The beautification of Emfuleni through greening will be done in all major roads leading up to the 2010 World Cup. We have established a continuous fast paced plan of action, "THE EMFULENI ROLLING ACTION PLAN" which is now in full swing, and will continue to be rolled out until the face of Emfuleni has changed for the better.

I must indicate with pride Madam Speaker that Emfuleni has been nominated by the Department of Agriculture and Conservation to host the Bontle-ke Botho. This confirms our commitment towards a clean and healthy environment.

Also Madam Speaker it gives me greater pleasure to announce that Emfuleni has been nominated for the Clean Water Awards to be held in Switzerland from the 29<sup>th</sup> October to 1<sup>st</sup> November 2009. We are indeed committed towards provision of healthy and clean water and we shall continue to do so and our commitment to this cause is internationally recognized.

As we accelerate service delivery, our partnership with Sedibeng District Municipality, the 20 Prioritised Township Programme, Evaton Urban Renewal and the provincial government is an effective collaboration to meet our millennium targets.

Provision of houses will move at faster pace given the commitment made by the newly appointed Minister of Human Settlements Mr. Tokyo Sexwale. Although a provincial function we will leave no stone unturned to assist in every way possible to ensure speedy developments.

Madam Speaker service delivery challenges warrant human capital with expertise and skills. I am proud to announce that most critical vacancies have been filled in departments that deliver core services. Through organizational development we are strengthening our institutional and personnel capacity through intensive training in order to meet the service delivery challenges.

## **ECONOMIC DEVELOPMENT**

The Vaal River is a sleeping giant that has been awakened through the Vaal 21 Flagship Projects.

The Regional Sewer Scheme has been an outstanding matter for some. It is through our partnership with the Department of Water Affairs, National Treasury, Department of Local Government and Housing, including Midvaal and Sedibeng that a service provider has

been appointed to address this issue. The regional Sewer Scheme is now a reality.

A consultant doing a feasibility study and environmental impact assessment has been appointed. This long term solution will serve the needs of the region; Johannesburg included, and will attract much needed development in the region.

## **COMMUNITY PARTICIPATION**

Madam Speaker we embarked on public participation as required by the basic tenets of a democratic state and our people have spoken.

In the words of Schumacher (1973), where he argued that *“the poor and powerless could acquire tools for self reliance that would ensure their empowerment without radically transforming power structures in society. It implies that the “empowerment” of the powerless could be achieved within existing social order without any significant negative effect upon the power of the powerful.”* (Mayo & Craig 1995 p.5)

They have called upon us to ensure that service delivery priorities and projects in the Integrated Development Plan reflect their will and this confirms our conviction that “The People Shall Govern”.

This is a journey of hope, **“A JOURNEY TOWARDS A BETTER LIFE”**. We derive our mandate and existence as dictated by the will of the people and therefore ours is to implement our people’s needs.

These needs are expressed in the Reviewed IDP & Budget that is presented today. The reviewed IDP takes into account the needs of the people after extensive consultation and the budget allocates the necessary limited financial resources to achieve this.

Our communities have also been informed and encouraged to pay for services. We need your support in this regard.

All ward councilors will be given information on all account holders reflecting their status on whether they are registered as indigents or not.

In delivering these basic services, I call upon those who are indigents and those in arrears to come and make necessary arrangements with the municipality. We do offer once off incentives to household accounts that want to settle their outstanding accounts.

## **HIV and AIDS**

HIV and AIDS continue to ravage the social fabric of our society, Madam Speaker, thus affecting young people and breeding a society where households are headed by minors, grandfathers and grandmothers.

These are sons and daughters who constitute the economic spine of Emfuleni as future leaders and it will be an abdication of responsibility on my part not to make a call for abstinence and responsibility. As a caring municipality let us join hands together by caring for those living with HIV and Aids because in doing so, we build our own humanity and invest in the future of our human capital.

## **CRIME**

Investment and tourism are adversely affected by the high rate of crime. Crime knows no barriers and affects each and every one of us. It is through our partnership with the South African Police Services, Sedibeng and civil society that together we can do more to curb the scourge of crime.

As we celebrate International Children's Day on Monday, we do so as we continue with our 365 Days of activism against women, the elderly, people with disabilities and youth.

## **COMMITMENT**

Madam Speaker, corruption, nepotism, favouritism, fraud, bribery and any illicit acts will not be tolerated under my stewardship.

Testimonial to this is the launch on 12 March 2009 of the Anti-Fraud and Anti-Corruption Strategy which is in operation. We have received eight reports where those involved in these acts are at the receiving end of this strategy. To further enhance our strategy, Madam Speaker will later today call on all councillors and senior officials to sign a Creed against such practices.

Under the theme “Together We Can do More”, the African National Congress has committed itself to ensure that the lives of the people should be changed for the better. As said by the President of the Republic, his Excellency Jacob Zuma, there is no place for complacency! No place for cynicism! No place for excuses!.

Okwethu ukuguqula impilo zabantu ngokusembenza. Lo onga funi ukusebenza, a yekele umasepala. Lo o ntshontsha imali zika masipala uzo boshwa.

A call centre has been located in the office of the Executive Mayor where service delivery issues can be raised by any member of the public. This centre will operate during business hours. Any service delivery related matter should be forwarded to the office and those matters will be attended to on an urgent basis.

## **BUDGET**

This Medium Term Revenue and Expenditure Framework before you has been compiled in terms of the new budget regulation issued by National Treasury.

This regulation required that I establish a budget steering committee.

I must report that the experience of this committee enriched the budget process in that all clusters had to justify why they need their budget allocations. Where expenditure was unacceptable, Deputy Municipal Managers had to provide explanations and more importantly provide a plan of how expenditure would be expedited in the new financial year.

This committee will meet every quarter to monitor performance on service delivery and expenditure.

## **CONCLUSION**

Special thanks to the community we serve Councilors and officials for your collective efforts in this IDP review and Budget preparation.

Special thanks to the dedicated workforce of Council, for its vision to deliver on the promises we made during “Together We Can Do More” and indeed together we can do more.

Thanks to all spheres of government, business and agencies that provide support and assistance to Emfuleni Local Municipality to ensure that our people benefit on a journey to a better life.

Madam Speaker, I hereby table in terms of the Municipal Finance Management Act, the 2009/10 IDP Review and the Medium Term Expenditure Framework for Councils’ approval.

**Ke a leboga**