



EXECUTIVE MAYOR'S SPEECH: TABLING OF 2009/10 BUDGET

**HONOURABLE SPEAKER
MEMBERS OF MAYORAL COMMITTEE
COUNCILLORS
COMMUNITY LEADERS AND MEMBERS
POLITICAL PARTIES
ORGANIZED LABOUR
MEMBERS OF SENIOR MANAGEMENT
FRIENDS FROM THE MEDIA
LADIES AND GENTLEMEN**

GOOD AFTERNOON

Let me first acknowledge the presence of my wife and son.

Madam Speaker, it has been 15 years of nation building. During these years we have built the foundation of a new society by enshrining basic human and democratic rights of all in the country's constitution, building the institutions of our democracy and ensured citizen's participation in decision making process that affect their lives.

In line with the decline in global economic growth, the South African economy has entered a downturn. Confidence levels have decreased, competition in tendering is becoming keener and labour and material bottlenecks are easing over a broad range.

Tied to this economic meltdown, the Emfuleni economy has been seriously affected. At the local economic development front and in line with our growth and development strategy our job creation initiatives are being adversely affected. At the receiving end of this meltdown is an ordinary woman and man on the street, those who live under the bread line.

All is not gloom. During his budget speech on the 11th February 2009, Trevor Manuel, the Minister of Finance said” *The budget remains firmly focused on a longer term transformation challenge. While responding to the changed economic outlook, our primary goal remains the reconstruction and development of our economy, and the progressive building of a shared future in which we can take pride in the quality of our public services, the creation of jobs for our people and security in our communities*”.

Madam Speaker, the budget that I will be tabling today should focus on service delivery, to create decent jobs and to eradicate poverty. As we so do, a journey down the memory lane is necessary so that we frankly ask ourselves that for the past 15 years of democracy and as a municipality, what have we done for our people.

Emfuleni Local Municipality, as a local sphere of government derives its financial existence from Section 214 (1) of the constitution of the Republic of South Africa. The purpose thereto being to ensure that through its equitable share, the municipality is able to provide basic services and to perform functions allocated to it.

These functions require that developmental and priority needs of the municipality be considered when budgetary allocations are made.

In our instance, Emfuleni Local Municipality is by its characterization a high capacity municipality and developmental in outlook, character and orientation, given the mammoth needs and challenges thereto.

One of the strategic core objectives of the municipality is to ensure financial viability. The object of the Municipal Finance Management Act “*is to ensure sound and sustainable management of the fiscal and financial affairs of the municipality by establishing norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of the municipality and its entities, the management of revenues, expenditures, assets and liabilities and the handling of financial dealings, budgetary and financial planning and supply chain, inter alia*”.

In juxtaposing the object of the act against our key strategic objectives, our budget should remain a tool to deliver on its key mandate in such a manner that it is informed by the needs of the developmental state.

In dealing with these needs, our primary focus is to ensure that the budget is in line with our Integrated Development Plans with latter being measured against our Service Delivery and Budget Implementation Plan as a tool to assess and determine our performance and to appraise ourselves on our central and key service delivery mandate.

As a developmental municipality, development in our situation should entail sustainable development which includes integrated social, economic, environmental, spatial, infrastructural, institutional, organizational and human resource upliftment of communities. Linked to these are government's APEX priorities.

This is aimed at improving the quality of life of people with specific reference to the poor and other disadvantaged sections of our communities.

It is therefore imperative that our budget meets and addresses the needs of a development state by placing its residents at the centre of its service delivery initiatives intended at providing quality services, to create jobs and to eradicate poverty.

Madam Speaker, over the past years our communities have been crying for quality services and poverty eradication to create a better life. The 2009/10 budget seeks to address challenges of unemployment as informed by our Local Economic Development Strategy by stimulating an economy that is responsive to community needs by creating decent jobs.

As part of an accelerated program to provide quality and tangible services, we have designed a whole sale and holistic approach to cluster services per areas, as informed by priorities. These priorities require that we invest our resources in areas where service delivery is critical.

In meeting these challenges, we need a human capital that has the vision and expertise to drive this process. Our human capital should be informed by the nature of society we strive to create. This should be a society that prides itself with a budget that is crafted in a way that service delivery, job creation, skills acquisition and transfer are visible.

Madam Speaker, our priorities and core strategic objectives should be driven by a human capital that has the expertise, commitment and a common vision to pursue this agenda.

Our reconstruction and development program should be people driven and people centred. This is so as the primary beneficiaries of our social and economic transformation agenda is hinging upon the aspirations of our people and the nature of society we strive to construct.

This social and economic construct should be directed in areas of health, housing, and sanitation, provision of clean water, electricity, education, job creation and poverty eradication.

For economic stimulation and to ensure a viable economy that is responsive to the needs of a developmental municipality, roads infrastructural development and our road network should be compatible with these demands. This is aligned to our millennium goals to ensure that all roads are tarred. To attain this, for the next financial year we will be constructing a 100 kilometre road network.

Through our Flagship Projects there shall be construction of storm water channels and roads. An amount of seventy million rand has been set aside for this purpose. This amount is exclusive of the Municipal Infrastructure Grant and is from our own funding. As part of government's millennium goals, these constitute our priorities in order to address roads and storm-water backlogs.

Part of our goals is the eradication of shacks by providing decent housing, security and comfort. Within the intergovernmental sphere, our solid partnership with the national and provincial government attests to our commitment to deliver on this mandate. It is through this that we reiterate and reaffirm our declaration that “there shall be **“houses security and comfort”**”.

Electrification of households needs to move at a rapid rate. As Emfuleni we are accelerating the process of electrifying all households. In partnership with Eskom we have committed ourselves to electrify Tshepong. Electrification of communities and the development of our electricity infrastructure to meet the high demands top our agenda.

Provision of health care and other related services forms the cornerstone of social transformation agenda to better the lives of our people. Part of this program is to ensure that we build clinics and provide affordable and basic health care to our people.

The population decline of Emfuleni, as per the Annual Report tabled before this honourable house on the 3rd February 2009 is attributed to, amongst others, the HIV/AIDS epidemic. This epidemic indicts us to wage a relentless war to save Emfuleni from this rapid decline. It impacts severely on the human resource need and development strategy of Emfuleni to meet the demands of a complex economy. It is a scourge that breeds child headed households, societal and family disintegration. We shall through this budget intensify our war against HIV/AIDS.

The Capital Budget is funded by the Municipal Infrastructure Grant, the Neighbourhood Development Grant, Provincial Health Grant, Provincial Library Grant and Emfuleni Local Municipality. This capital budget is in the amount of three hundred and twelve million rand.

The Operational Budget is in the amount of R2,57 billion. This makes up a growth of 9.29% from the 2008/2009.

Subsidization of indigents is funded from the equitable allocation. This covers refuse removal, electricity, sanitation, property rates, water and housing. This subsidization is in the amount one hundred and sixty five million. We encouraged our needy people to register for Masakhane as part of our motto: ***“You Belong-We Care:***

Our major expenditure is in the areas of bulk electricity and bulk water purchases, repairs and maintenance, employee costs,

provision for bad and indigent subsidy. These are in the amount R1.9 billion rand.

Tariff increases are based on the Consumer Price Index and National Treasury key parameters, Rand Water and Eskom increases.

Therefore increases will be as follows:

Rates:	20%
Electricity:	25%
Water:	17%
Sundry tariffs:	6.8%

There is a reciprocal duty on the part of consumers to pay revenue as part of revenue collection to enhance our delivery capacity. Our projected revenue stands at 80% compared to the 74% during the last financial year. Through our Revenue Enhancement Program, we are making all strides and efforts to collect revenue. This will enhance our capacity to provide quality services.

The 2009/10 budget has a projected revenue of R2,57 billion derived from electricity, water, assessment rates, DORA and other sources like refuse, prepaid income, sewer, traffic fines and reconnections, amongst others.

As I have earlier indicated, the budget is a tool to implement our core service delivery mandate. Therefore in ensuring that the budget is used in an open, transparent and accountable manner, we also need to be intolerant to corruption, fraud and graft. This impacts negatively on service delivery. To confirm our commitment to rid the municipality of this malady, an Anti Fraud and Anti Corruption Strategy was launched. This should not be a strategy on paper but our collective effort to root out corruption is important if we were to attain the objectives of the strategy to ensure clean, open and transparent governance.

It is through this 2009/10 Budget that “our vision for a developmental municipality that continuously improves the quality of life of its residents” is pursued.

The Integrated Development Plans should be linked to the core strategic objectives in pursuance of this vision. It is therefore required of us to ensure that our core strategic objectives to:

- ***Provide basic services;***
- ***Achieve sustainable financial viability;***
- ***Ensure good governance and institutional capacity;***
- ***Deepen democracy;***
- ***Create the culture of effective communication;***
- ***Promote a safe, secure and healthy environment;***
- ***Ensure social and economic transformation; and***
- ***Promotion of spatial development.***

are accomplished.

Madam Speaker, as I have earlier asked, what we have done for our people. The response lies within our policy paradigm on South Africa's reconstruction and development. And it is in line with this policy that there has been a number of improvements which are reflective in the current budget. When the Annual Report was presented in February 2009, I indicated that we should collectively be judged by our own deeds.

This report reflected on our challenges, weaknesses and strengths. It contained performance indicators and put in place mechanisms for improvement.

This therefore requires of us to tirelessly commit ourselves towards accelerated provision of quality services.

In delivering on these, we require an interventionist approach that has the capacity to sustain challenges that come with our service delivery, social and economic transformation agenda. Therefore this budget and the expenditure priorities should conform to our imperatives.

This interventionist approach derives its existence from my inauguration speech after having identified challenges besieging us. It is through my vision for improvement and quality services that bore the 100 Days Plan of Action through the strategic plan.

Propagandists are fuelling falsehoods that there is no visible service delivery. We cannot not turn a blind eye when protests mushroom all in the name of lack of service delivery. There is sheer political opportunism which borders of electioneering. Madam Speaker contractors are on site to deal with concerns pertaining grass cutting, potholes, dysfunctional street lights, water logged houses, electricity, storm water and housing.

Madam Speaker during the Municipal Property Rates public hearings information was distorted to the effect that the municipality want to repossess people's houses. These are some of the falsehoods that are being spread so as to confuse our people.

We need to up our publicity and communication machinery as a means to reflect upon our achievements, successes and projects accompanied by tangible service delivery. Constant communication with communities is important. Massive tenders have been advertised and in other instances service providers were appointed.

We have in partnership with the Evaton Urban Renewal succeeded in rolling out 40 litre bins and have procured refuse removal trucks to increase our capacity. We have built the Mafatsane Thusong Community Centres to bring services closer to our people. R10 million has been sourced from the Neighbourhood Development Partnership Grant for the 2010 Emfuleni Precinct Development Program.

There will be an establishment of the Duncanville Township. The Inland Waterfront development project is underway and this will lead to job creation opportunities. This major investment will add significant value to the waterfront clustering of activities within the hospitality industry. This relates to entertainment and conference facilities, bread and breakfast, hotels and restaurants.

We have awarded bursaries in the amount of R1,5 million and this amount will increase given the high cost of education.

We have launched the Bophelong Thusong Community Centres with the MEC. Mandla Nkomfe.

Our successes are attested by our partnership with Gautrain and the provincial government to change the face of Boipatong through the Boipatong Urban Renewal.

We have addressed the housing problem in Rus-ter-Vaal. We are ensuring the problem of water logged houses is dealt with and the best example is the Zone 7 problem. The Boipatong hostel problem is being dealt with at the highest level. Cleaning cemeteries is being done. There are many examples of these. There is a dedicated team in my office to deal with petitions. There is a dedicated team led by the Acting Municipal Manager to oversee service delivery. Much more has been done and more will be done and we are continuing with our declaration to do more.

Madam Speaker let me indicate that there should be no room for excuses. We have put in place a human resource at senior management level by filling critical positions in line with the 100 Days plan of action. Therefore there is no room for roll over as we have the necessary workforce equipped with expertise and skills to execute the mandate of this house.

During the last financial years massive projects were rolled over, yet the budget was there. This was a product of poor planning and not related to incapacity. Therefore, for this current financial year there should not be any roll over, no under spending and non spending. Not under my stewardship.

Our budget should be stakeholder driven and these stakeholders are communities. Therefore public participation and consultation is important for community input before the adoption of the budget.

Our theme should be “Deepening democracy in the year of mass mobilization”. It is important that the aspirations of our people are addressed through mobilization of resources to meet our APEX priorities. It is through partnership with business and communities that our goals to change the lives of our people for the better can be met.

On the 22nd April 2009 South African citizens will be going to the polls. This is to get a mandate from the electorate to push back the frontiers of poverty. It is on this day that our people will be mandating a new government to address their aspirations. On the 6th February 2009, during his State of the Nation Address, President Kgalema Motlanthe said *“ours is a journey of hope and resilience”*.

When I took over the political leadership of the municipality, the African National Congress which deployed me commanded me to assume captainship of a ship that was heading towards an iceberg in order to give hope and it is through resilience that our people are appreciating the progress made since assumption of office.

Ours is to give hope by ensuring that our municipality is a catalyst towards job creation and poverty eradication for without bread there is no dignity.

There are some in our quarters as a country who say that South Africa is becoming a welfarist state. Ours as the municipality is to unleash the potential of a person through the Vukuzenzele programs, skills transfer and training through the Extended Public Works Programs and other programs to dispel the welfarist myth by creating jobs.

This mandate is to ensure that people have access to basic services. Access to household basic services has improved tremendously. There has been massive improvements in provision of primary health services. What we therefore need to do is to consolidate on the achievements of the past 15 years by going to the polls in an environment that is peaceful and where there is tolerance.

Madam Speaker in his biography, Long Walk to freedom, Dr. Nelson Mandela says:

“I have walked that long road to freedom. I have tried not to falter; I have made missteps along the way. But I have discovered the secret that after climbing a great hill, one only finds that there are many more hills to climb. I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, not to look back on the

distance I have come. But I can rest only for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not yet ended.”

In our own situation, there is no time to rest and the journey is too long and mountains too many to climb.

Madam Speaker, I hereby table the 2009/10 budget in terms of section 16(2) of the Municipal Finance Management Act no 56 of 2003 .

Thank you

“Your Belong-We care”

Cllr. SA Mshudulu
Executive Mayor: Umfuleni Local Municipality
31 March 2009 Sharpeville