

HON. MAYOR CLR MD MOTHOGWANE'S KEY NOTE ADDRESS:

THE EPHRAIM MOGALE LOCAL MUNICIPALITY

STATE OF THE MUNICIPALITY ADDRESS

VENUE: MATLEREKENG – WARD 4

DATE: 31 MAY 2019

Hon. Speaker Cllr Bushy Modisha,

Members of the Ephraim Mogale Municipality council,

Executive Committee Members of the Ephraim Mogale Municipality,

Hon Chiefwhip Cllr Sedibane,

Members of the Limpopo Legislature,

Sekhukhune District Executive Mayor: Hon. Cllr Ramaila,

Honorable Speakers, Chief whips and Councilors present here,

Maapara Nkwe,

HOD's and Municipal Managers,

Members of the Business Sector,

Representatives from various Organised Labour (Unions),

Community Members,

Members of the Media,

Distinguished Guests, Ladies and Gentlemen

Thobela babina diphoofolo, Dumelang, Lotshani, Goeie more, Good morning.

We gather here today Hon Speaker, in this august house after the historical 6th democratic elections which were held on the 8 May 2019. These elections were confirming and strengthening the democracy in South Africa, whereby the South Africans reaffirmed and gave mandate to the new government. We congratulate the IEC for overseeing and managing these elections which were declared **FREE and FAIR**. Our orderly congratulation goes to the South African Nation for its commitment in strengthening democracy in this country.

Madam Speaker, the congratulations will not be complete should we fail to acknowledge and congratulate the African National Congress (ANC) for being bestowed with the responsibilities of making a better life for people and improving service delivery. This is confidence given to the ANC, looking at its manifesto which clearly stipulates the tangible programs to be implemented that are further to improve the lives of the communities.

We thank the communities of Ephraim Mogale Local Municipality for having confidence in the ANC for the betterment of their lives. Madam Speaker, as the municipality, together with IEC we still have a mountain to climb in educating and empowering our communities on the importance of participating in elections, as, we noted that out of **57 985 000** voters registered on the voters' roll, only **54.42** % voted, which is far less than the 60% IEC regard as better outcomes.

We congratulate President Ramaphosa for being re-elected as 6th President of this country, Cde Chupu Mathabathe as Premier of Limpopo Province and many other leaders for accepting responsibilities of being sent (Thuma mina) to make a better life for our communities.

This is a milestone in the Country's democracy since the dawn of freedom in 1994. Reading from his famous word, our icon Dr NR Mandela writes and I quote "Ke bile motsea leeto go ya tokolong ya naga ya gesu. Ka leka ka mesegofeela go wele fase; kage leetong la ka go bile mekoti, metotolo yeo elikilego go sulafatsa leeto laka. Sephiring sa leeto le, ka lemoga go re go feteng meboto, melala, dithokgwa, maswiswi...go sana le tsedingwe tseo di ikadilego pele ga mahlo aka. Keila ka tsea sebakanyana mme ka tadima botse, bothakga, bokgwari bjoo thlago emphago bjona. Ka go lebelela morago ke tswago..goikhutsa ebile ga lebakanyana feela, ka gore tokologo etla le maikarabelo...ka fao ga ka swanela go nyefisa...kage leeto tona la tokologo le sa tswela pele.."

Africa and Workers Month

We gather here today, Hon Speaker, during the Workers' and African month, a month when we remember the sons and daughters of Africa who stood firm in confronting the injustice of colonialism and apartheid. We celebrate the achievement of democracy and cultural diversity in Africa. Let us not forget that South Africa was the last country to attain democracy and it was through the commitment and contribution of neighboring African countries such as Botswana, Namibia, Lesotho, Zimbabwe, Malawi, Mozambique and Zambia which were regarded as frontline state, which risked and hosted our liberation movement soldiers in fighting the apartheid regime. As we all celebrate democracy, let us

not forget the contribution of those African countries for us to attain democracy. Madam Speaker, it is so important to all of us to commit in fighting xenophobia by all means. At the same time encourage our African brothers and sisters to use all legal avenue in entering this country so that we share the skills and knowledge in making Africa a better continent.

While celebrating African month, internationally May month also remain the workers month. Our salute goes to South African workers, who respect the democratic labour laws, regulations and processes as promulgated by democratic government after a consultation with labour unions at NEDLAC. We salute the workers for commitment in providing quality services to our communities. We are disappointed by those who use the state, specifically the municipal resources for their own benefit, such as selling of sand, using the municipal vehicle to transporting what is termed "STAFF", promotion of corruption by selling municipal diesel and petrol and many more. This is not the legacy which our fore-workers and leaders fought for, and we are calling on municipal workers to refrain from doing that before they are caught, and also call on community members to report such activities to the Municipal Manager. We are celebrating with workers for their contribution towards the progressive labour laws we achieved during this democratic dispensation.

Madam Speaker, we gathered here today just two days before the country enter the historic Youth Month. The month which has turned the political landscape of

South Africa. It started long in early 40's during the vibrant youth leadership of Nelson Mandela, OR Tambo and many others whom committed themselves to militant fight to the injustice practices by apartheid regime. They also became the catalysts of the transformation of the African National Congress and became militant in order to speed up the process of making South African a Democratic State. The country experienced the mass resistance of the June16, as the turning point of young people taking a lead in fighting the apartheid regime. We will be failing in our celebrations of democracy if we do not acknowledge the commitment and sacrifices of young gallant fighter such as Solomon Mahlangu, who when faced with reality of death sentence for fighting for the democratic principle and liberation of the African people, said" My Blood will nourish the tree of freedom, tell my people that I LOVE THEM ALL". Indeed, today we are enjoying the fruits of freedom nourished by the blood of young gallants such as Cde Solomon Mahlangu and many others. For us to remain as young people, we should remain disciplined and fight for economic freedom as stipulated in the freedom charter that "the people shall share...".

Indeed Madam Speaker, the Ephraim Mogale Local Municipality has been given mandate to deliver the services that will improve the lives of our people and make them better off, and the municipality is on track in doing that. In fulfilling the aspirations and dreams of Nelson Mandela and the ANC, the Ephraim Mogale Local Municipality has long time ago addressed the challenges of provision of electricity by reaching the millennium goals. The municipality is

proudly saying that as part of commitment to make a better life in relation to the provision of electricity, the focus is on “Villages Extensions and new settlements”.

During the 2018/2019 financial year, a total of 269 households in the following villages were provided with electricity:

WARDS	VILLAGES	No of Household Connected
5	Matlala-a-Ramoshebo	45
4	Matlerekeng	88
9	Leeuwfontein RDP Ext	106
1	Malebitsa Ext	<u>99</u>
	Total	<u>338</u>
All Wards	Infill's (different villages)	370 Households
	Backlog	1191

The municipality will continue to work hand in hand with Eskom to address the backlog of just over 1191 households that need electric-connection. As part of municipality commitment to address the public the municipality has adopted Electric Master Plan which aims to address the “public lighting” – streets and highmast lights. The municipality will in the financial year 2020/2021 roll-out the massive “public lighting” electrification as part of **Operation Khanyisa** and the commitment to service delivery to our communities.

Infrastructure 2019/2020 Projects

The municipality's major service delivery challenges is characterized by three legged pot, being, Roads or Internal Streets Development, provision of Water and Electricity. As indicated earlier, the municipality has met and celebrated the millennium goal on electrification of all villages few years ago. The municipality is only faced with village extension connections which count to 1191 backlog.

During 2018/2019 Financial year, the municipality committed to the following infrastructural projects, and Hon. Speaker please allow me to account for projects as stated during that year's budget presentations.

PROJECT	EXPENDITURE	STATUS
Ngwalemong Internal Streets	R 9 066 558.62	3.025km completed
Letebejane - Ditholong internal Streets	R 9 495 574.87	2.1km completed
Mamphokgo Sports Complex	R 5 456 659.79	Project progressing well

The municipality is faced with two biggest challenges on its provision of internal streets and storm water projects. **The Mashemong-Mooihoek Internal Street** was interdicted and the court ruled that the municipality should re-advertised the

project within 30 days. This mean that the contract was removed offsite and the process of Supply Chain should start again.

Leeuwfontein Sports Facility - Faced with challenges of contractor. A new contractor will be on-site within few day. There is a promise that the project will be completed before the end of the financial year.

The third project facing the challenges was the **Marble Hall Extension 6 Storm Water**. The municipality also faced some court challenges regarding demolishing wall built outside the boundaries where the storm-water infrastructure is to be built.

Because all the three projects are multi-year projects, the municipality is committed to continue with them as planned during the upcoming financial year.

The municipality's 2019-2020 Infrastructural development will include the following three years projects: Malebitsa Internal road, Mogalatsane Internal Road, Mmakgatle Internal Road and Mashemong/Mooihoek Internal road. The munciplaity will continue with the completion of Mamphokgo and Leeuwfontein Sports Complexes and the Marble Hall Extension 6 Storm Water.

This municipality will continue to benefit from Roads Infrastructural Development in partnership with Limpopo Roads Agency (LRA) through the continued upgrading and development of the roads between Mogaladi and Phokwane in Makhuduthamaga that pass through Ephraim Mogale Local municipality's Ward

13, and Tshikanoshi to Keerom and Mmotwaneng to Legolaneng Road in Elias Motswaledi Local Municipality, and another massive road infrastructural development through Moloto Corridor by South African National Roads Agency (SANRA) which pass through Marble Hall Town. All those roads infrastructural development are contributing massively to temporary job creation within Ephraim Mogale Local Municipality.

Water and Sanitation

Water challenges are the outcry of our communities in Ephraim Mogale Local Municipality. Madam Speaker, South Africa is Water scare country, meaning that we should all commit to safe the little water we get. It is a known fact that if one looks and analyse the community prioritization through IDP, water demand is always number one in all wards. Madam Speaker, Ephraim Mogale is not mandated to provide water in terms of laws, but our communities cannot differentiate between local municipalities, District municipalities and National Departments as far as provision of water services is concerned. They always go to their nearest layer of government to demand and request for water services. Madam Speaker allow me to clarify that this municipality is working hand-in-hand with the Sekhukhune District Municipality, Limpopo Provincial Government and National Department of Water Services towards the solution to our challenges. In doing so, few weeks ago through the office of the Limpopo Premier, water boreholes were provided in Malebitsa as part of government commitment to resolve the water challenges. Going forward, Madam Speaker, the Sekhukhune

District Municipality Hon Executive Mayor, Marumo á Phogole Cllr Ramaila has committed R 38,4 Million and R39,1 million for water provision in Moutse and R10 million in Flag Boshielo for Household metres installation.

A further R12 million was allocated for the Sanitation Project which will be used for 3000 new installations. Councilors will finalize the distribution and allocation of those VIP Sanitation with the Sekhukhune District very soon.

Education and Youth Development

Hon. Speaker and Distinguished Guests, our municipality has committed itself to improve the life of the young people. Furthermore, the municipality is committed to support the implementation of national legislations and regulations of Free Education and skilling of our young people as part of commitment in the Freedom Charter. In doing so, the municipality has Career and Youth Information Days as part of providing Information Services. During the 2018/2019 financial year, the municipality promised to make available resources to empower the young people through “Career Guidance and Wi-Fi Connectivity in all Wards. Due to the technicalities, this did not materialized. As commitment to the cause, the municipality has budgeted R1million for the installation of the Wi-Fi during 2019/2020, R1.2 million during 2020/2021 and 2021/2022 as part of empowerment of our youth.

As part of youth development and economic empowerment, the municipality facilitated training of 180 young people in the following areas:

Masonry	Welding	dressmaking	Plumbing	Environment
20	20	20	20	15

Tourism = 20	Yes program(fashion Design) = 65
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What Inform the Budget?

Hon. Speaker and Distinguished Guests, the Ephraim Mogale Local Municipality as part of South Africa is also faced with economic challenges. The general slow Economic Growth is affecting job creation and collection of fiscals for the provision of service delivery.

The Grant account to 60% of the total budget and 40 % from municipal own revenue of the municipality. The allocation for the financial year 2019/2020 is as follows:

1. **Equitable Shares Allocation R 144,9 Millions** – used for general administration and funding of some internal projects
2. **Municipal Infrastructure Grand (MIG) R32 Million** which will be used to pay for the MIG projects;
3. **Financial Municipal Grant (FMG) R2,6 Million** – allocated for Financial Capacity building . This grant is the one used for skilling and training of Interns in Finance.
4. **Extended Public Works Program (EPWP) R1.3 Million-** allocated for the employment of EPWP workers.

TOTAL Grants is **R168 Million**

Own Municipal Revenue is R110 million and the collection rate is 82% from electricity, refuse removal and property rates.

2019/2020 Budget

The municipality has budgeted for total revenue of **R 300 Million** in the 2019/2020 financial year which is an increase of R19 million from 2018/2019 budget. The budget breakdown is as follows in a circle of three years:

Description	2019/2020 Medium Term Revenue & Expenditure Framework							
	Budget	Year	Budget	Year	+1	Budget	Year	+2
	2019/2020		2020/2021			2021/2022		
<u>Expenditure By Type</u>								
Employee related costs	94,023m		98,519m			105,377m		
Remuneration of councillors	14,533m		15,546m			16,630m		
Debt impairment	13,321m		14,253m			15,251m		
Depreciation & asset impairment	52,000m		53,000m			54,000m		
Finance charges	365 000		387 000			410 000		
Bulk purchases	42,224m		49,395m			56,804m		
Other materials	1,275m		1,481m			1,569m		
Contracted services	36,355m		33,752m			35,273m		
Transfers and subsidies	-		-			-		
Other expenditure	46,006m		49,820m			51,370m		
Total Expenditure	300,102m		316,153m			336,685m		

Employee related costs are increased as per the National Bargaining Council Agreement between SALGA, SAMWU and IMATU and for the coming financial year it will be increased by 7%. The increase of Councilors and Senior Managers are determined by the Minister through the Government Gazette that regulates Upper Limits for Councilors and Senior Managers

Tariffs Increase

The following are the proposed tariff increases after taking into consideration the guidelines from National Treasury and National Energy Regulator of South Africa (NERSA):

- ▶ Assessment Rates: 5.2%
- ▶ Electricity: 13%
- ▶ Cleansing: 5.2%
- ▶ Other income: 5.2%

New Households Electrical Connection

Regarding electrification as part of service delivery, Hon Speaker, the following village extensions will be electrified during the 2018/2019 financial year:

WARDS	VILLAGES	NO. OF CONNECTIONS
16	Mogalatsane	34
15	Morarela Ext	53
09	Mamphokgo Ext	75
11	Mohlalaotwane	24
	<u>TOTAL</u>	186 House Hold

With regard to individual connection from budget provided by Eskom, a total connection of 400 house-holds will be provided with electricity during the 2019/2020 financial year. Madam Speaker, this will be a drop in an ocean as the backlog is now over 1000 house-holds.

Graveyard Fencing

As part of our commitment to protect and respect our gravesites, the municipality will complete the following fencing of the graveyard during the current financial year of 2018/2019.

WARDS	VILLAGES
11	PULENG B
10	MAGATLE
15	MBUZINI
14	REGAE
4	KLOPPER
13	GREENSIDE
13	Moomane

A budget of R700 000 is allocated to continue with the project and provide fencing for **seven graveyards** during 2019/2020 financial year. Both the Political wing and the Administration are finalizing the village identification and communicate will be issued to villages and wards to be fenced soon. The

municipality is humbly requesting community members to protect and guard against stealing and vandalizing of the graveyards fence which we erected.

Local Economic Development

Local Economic Development is a nerve of any local government institution. Hon. Speaker the municipality's economy is characterized by the agriculture as the dominant economic sector, hence the municipal vision of "**Agricultural Hub of Choice**". Keeping with the economic dominant, the municipality is facilitating and supporting agricultural cooperatives mostly focusing on youth and women participation.

During his state of the province address, Limpopo Premier, Hon Chupu Mathabathe stated that "Despite these challenges, our provincial economy remained resilient and was able to create jobs in line with the commitment that we made in 2014. The Stats South Africa's Labour Force Survey indicates that since 2014, the provincial economy has been able to create no less than 317 000 jobs. Suffice to indicate that these numbers do not include the figures for the 2018 fourth quarter labour force survey. The latest figures from StatsSA indicate that Limpopo has the lowest unemployment rate in the country. Our unemployment rate is currently at 16.5% against the national average of 27.1%". Our municipality has contributed **1336 jobs through EPWP and CWP** during the current financial year. The municipality further commit to pay attention to the SMMEs and Cooperatives as requested by Hon Premier. SMMES are catered for

through Supply Chain Management policy whereby **30% of subcontracting** in all the projects will be from the local communities.

Indigents

Ephraim Mogale Local Municipality is a rural municipality characterized by the indigents. Presently there are 2479 households on the Indigent register and on average only 2000 household are benefiting. As a rural municipality where some of the municipality wards are regarded as the poorest of the poor, we need to encourage communities to register, review data collection strategy and the roles of Ward Councilors, Ward Committees, Community Development Workers and the local Social Workers in data collection.

Good Governance and Financial Stability

Madam Speaker and distinguished guests, please allow me to confirm what the former Mayor Councilor Kupa told the community of Ephraim Mogale during the 2018/2019 State of the Municipality Address (SOMA) that this municipality is financially stable and meets its financial obligations. This was also confirmed by obtaining the Unqualified Audit Opinion by Auditor General of South Africa (AGSA). South African Local Government Association (SALGA) Limpopo also rewarded this municipality by the Awards for obtaining Unqualified Audit report, joining the **Top Best Ten Municipalities** in the province of Limpopo. This audit report confirms, Madam Speaker, the observation made by Council of Government, Finance, Audit and Risk Officers (CIGFARO) when awarding our

municipality with Certificate and trophy as a recognition for the most improved financial management institution.

While celebrating the achievement, Madam Speaker, we should as a municipality not regress, but work even harder to obtain the **CLEAN AUDIT** during the upcoming audit processes.

Hon. Speaker, in strengthening and bringing administrative stability, the municipality has employed the Director of Infrastructure Mr P T Mashile and is in the process of finalising the employment of Director of Planning and Local Economic Development.

Conclusion

One agrees with the State President, Hon Cyril Ramaphosa when he said “ we should always reflect of the milestone achieved during the last 25 years of democracy and the establishment of local government. Our people’s hope are not baseless; it is grounded on the progress that is being made since dawn of democracy. We need to reflect on the actions which assisted in the improvement of the life of our communities. Our efforts may have been uneven, and we still have much work to do, but we have demonstrated over the last year our shared determination to work together to confront our common challenges”.

The key to what as government we must do is to reflect on the Five Tasks as were expressed by the Hon. President, which are:

1. Firstly, that we accelerate inclusive economic growth and create jobs.

2. Secondly, our history demands that we should improve the education system and develop the skills that we need now and into the future.
3. Thirdly, we are duty bound to improve the conditions of life for all South Africans, especially the poor.
4. Fourthly, we have no choice but to step up the fight against corruption and State capture and
5. Fifthly, we need to strengthen the capacity of the State including the local Government to address the needs of the people.

During upcoming financial year, as Ephraim Mogale Local Government, Councilors, Communities and all stakeholders we should focus on the five points as alluded by the State President.

In responding to the directives and a call by the State President, today we present this budget to loving community of Ephraim Mogale, and we commit ourselves and say “Siyavuma, Thumani Thina to the hardship of delivering services to our communities, thumani thina to be your servants in making a better life to you all”.

Hon Speaker, as a municipality, we are aware that is not going to be easy in our travelling to reach the set goals. But the municipality believe that working together with our communities, stakeholders, administration and the political wing, we can achieve the set goals with the little resources at our disposal.

The municipality will continue engaging our communities, disseminating information on the progress made in implementing this budget during the

upcoming public participation. This budget remains our hope in bringing a better life to our communities.

Allow me Hon Speaker, to thank Exco Members, MPAC and Portfolio Committees for the good oversight work performed at all time. Thanks to the offices of the Hon Speaker and Chiefwhip for the support they always give. Thanks to all the political parties participating in our municipality for contributing towards the political stability within our municipality, the Audit Committee and the administration, for their sterling in bringing administration stability and implementation of programs and projects that contribute towards the betterment of the lives of our people.

Most importantly, thanks to the community of Ephraim Mogale Local municipality, for continuing support and understanding the fiscal challenges the municipality is facing in improving our lives.

Special thanks to my family for allowing ANC, for bestowing on me the trust that one will carry the mandate of providing services to our communities.

The municipality is calling to all of us to rise together above our differences and tackle the service delivery challenges as commitment to make a better life to our communities.

"Motswaleeto tlama seeta sa ga Ramokgokela, gobane mosepedi ga alape. O re go se tlema se tiye selle mongana ting-ting"

I thank you.