

## **EPHRAIM MOGALE LOCAL MUNICIPALITY**



**VISION: A WORLD CLASS AGRICULTURAL HUB OF CHOICE**

**BUDGET SPEECH 2023/2024 DELIVERED BY HIS WORSHIP MAYOR  
CLLR GIVEN MOIMANA ON THE OCASSION OF TABLING A  
BUDGET AT MUNICIPAL TOWN HALL ON THE 31<sup>st</sup> JUNE 2023**

**Speech by the Mayor of Ephraim Local Mogale Municipality on the occasion of Budget Presentation and Adoption by the council of Ephraim Mogale Local Municipality held at Mablehall Town Hall on the 31 st May 2023**

Honourable Speaker

Council Whip

Chairperson of MPAC

Chair of chairs

Exco Members

Chairperson of section 79 committees

Honorable councilors

The Municipal Manager

Senior Managers

Officials of our Municipality

Members of the public

I would like to take this opportune moment to welcome you at this stage of the tabling of my budget.

We are meeting here today on the last day of Africa month and also a workers month in this august house to present the Budget of our institution.

This year we are celebrating sixty years of the establishment of the Organisation of African Unity which was later renamed African Union in 2002 following a decision taken in 1999 by its predecessor to create a new continental organization to build on its work.

Hon Speaker

The African Union was launched to fight colonization and to unite the people of Africa in their diverse cultural traditions and customs.

Today we are proud to call ourselves Africans and we live side by side with our fellow African people.

We draw inspiration from the poem by the former president of the country Thabo Mbeki when he proudly wrote "I AM AN AFRICAN". in this poem therebare lot of teachings that we

should cascade down to our kids so that they are able to appreciate themselves and other African kids.

Hon Speaker

This year in April we have celebrated 29 years of freedom as the people of South Africa. This freedom that we are enjoying today is not come cheap. It was achieved by the resilient and hard work of our forebearers during the struggle to fight Apartheid regime. This freedom that we fought for should address the triple challenges that are facing our country today. Our people need better living, need water, need food and they need everything that would change their lives for better.

It is through this budget that we are adopting today that will enable us to curb these triple challenges.

We need to ensure that from now henceforth we prioritise our communities in terms of empowerment in general.

It is my privilege as Mayor of Ephraim Mogale Local Municipality to present 2023/2024 Budget. This Budget represents and informs the Integrated Development Plan and focuses on sustainability. The sustainability of a Municipality is a crucial driver of building community trust.

The Integrated Development Plan is the principal plan for the Municipality that provides a comprehensive agenda for progress and improvement. It aims to coordinate the work of local and other spheres of government in a coherent strategy to improve the quality of life for all the people of Ephraim Mogale Local Municipality.

The IDP must consider the existing conditions, challenges, and limited resources to set a framework within which Ephraim Mogale Local Municipality must function. It highlights the needs of all communities through public participation. It directs Council and the administrative operations to align available resources with these needs through the Budget by executing the Service Delivery and Budget Implementation Plan.

Budgets are always a balancing act and must also give impetus to our Constitution's obligations to local governments.

## **TARIFFS**

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges are revised, we consider various factors, including local economic conditions and the affordability of services levelled against the financial sustainability of the Municipality. Still, we also recognise the need to accommodate the plight of the poor.

After considering all inputs, proposed expenditures, and revenue, as well as prevalent conditions and challenges, the proposed tariff adjustments to fund the annual budget are as follows:

- Assessment Rates: 0%
- Electricity: 15.1%
- Cleansing: 5.3%
- Other income: 5.3%

## **OPERATING BUDGET**

Madam Speaker, it is essential and praiseworthy to note that the budget presented to Council for 2023/2024 is both realistic and funded. I wish to emphasise that it is a remarkable achievement to continue delivering service levels without a budget deficit.

The annual budget provides total revenue as follows:

- **R414 million** for 2023/2024,
- **R424 million** for 2024/2025, and
- **R429 million** for the 2025/2026 financial year.

The revenue includes the MIG Grant for 2023/24 for **R39 million**, **R41 million** for 2024/25 and **R42 million** for 2025/26 financial year.

- Transfer and subsidies provided for in 2023/2024 financial year **R240 Million**. There is an increase of R19 Million compared to the 2022/23 financial year.
- Service charges has increased by **R6 Million** due to increase in service charges fee. However, it should be noted that there is also a revenue loss due to continuous load shedding.
- Property rates increased from R42 Million in 2022/2023 to **R50 Million** in 2023/2024 financial year. This is due to new valuation roll that will be implemented in 2023/2024. The property rates tariffs will not increase however the revenue will increase since due to new valuation roll.
- Interest has increase by R5,5 million in 2023/2024 financial year because of Municipality aiming to invest some of the monies not available for immediate use.

The total operating expenditure budget amounts to **R376 million** for 2023/2024, **R400 million** for 2024/2025, and **R415 million** for the 2025/2026 financial year.

- Salaries and allowances for municipal staff has increased by 5.4%. Remuneration of councillors are calculated on actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act.
- Bulk purchases, Repairs and maintenance and Contracted services are causing a major increase in operational expenditure.

### **Capital Budget**

Furthermore, we must ensure that the capital budget reflects consistent efforts to address the backlogs in basic services and the renewal and expansion of infrastructure and existing network services.

The key Capital allocations for the next financial year include the following:

Function	Funding	Segment-Desc	Budget 2023/2024
Roads& Stormwater (650)	MIG	Morarela Internal Road	16 544 482.93
Roads& Stormwater (650)	MIG	Uitvlucht Internal streets	16 001 285.91
Roads& Stormwater (650)	MIG	Rathoke Internal Street	4 878 531.16
			<b>37 424 300.00</b>
Administration	OWN	Purchase of Furniture (500/305065)	800 000.00
Paks & Cemeteries	OWN	PURCHASE OF RIDE ON MOWERS	500 000.00
Paks & Cemeteries	OWN	PURCHASE OF LAWN MOWERS	40 000.00
Paks & Cemeteries	OWN	PURCHASE OF PARKS TOOLS	300 000.00
Corporate services	OWN	Mobile Office	1 000 000.00
Electricity	OWN	Replce 20 kWh meters	300 000.00
Electricity	OWN	Moganyaka High Mast	400 000.00
Electricity	OWN	Replace Minisubstation ERF 338 MOPANI STREET	100 000.00
Electricity	OWN	INDUSTRIAL SUBSTATION 2nd SUPPLY PHASE4	3 500 000.00
Electricity	OWN	INSTALL QUALITY OF SUPPLY RECORDERS	700 000.00
Electricity	OWN	TOOLS SETS	100 000.00
Electricity	OWN	CHAINSAW AND BRUSHCUTTER	25 000.00
Electricity	OWN	REPLACE 6 WOOD POLES ON OVERHEAD LINE – DUMP SITE	90 000.00
Electricity	OWN	GENERATOR FOR TRAFFIC CENTRE	600 000.00
Electricity	OWN	HIGH MAST LIGHTS LEEUFONTEIN RDP	3 400 000.00
Electricity	OWN	HIGH MAST LIGHTS MALEBITSA	3 400 000.00
Fleet Mangement	OWN	TOOLS & EQUIPMENTS	52 350.00
Fleet Mangement	OWN	yellow fleet	10 670 000.000
Housing and Building	OWN	Capital Fund Air Conditioning	52 350.00
(ICT)	OWN	SWITCH	100 000.00
(ICT)	OWN	Capital Fund ICT Computers	800 000.00
(ICT)	OWN	Capital Fund Purchase of routers and wireless access point	10 000.00
(ICT)	OWN	WIFI	600 000.00
(ICT)	OWN	SERVER	180 000.00
(ICT)	OWN	Capital Fund PURCHASE OF PRINTERS	100 000.00
(ICT)	OWN	HR Server	400 000.00
(ICT)	OWN	Upgrade Council Chamber	180 000.00
(ICT)	OWN	Purchasing of Projectors	40 000.00
(ICT)	OWN	UPS Back Batteries	800 000.00
Roads& Stormwater (650)	OWN	KEROM Community Hall	3 500 000.00
Roads& Stormwater (650)	OWN	Mamphokgo Sports Complex	1 500 000.00
Roads& Stormwater (650)	OWN	Leeuwfontein Sports Complex	1 800 000.00
Roads& Stormwater (650)	OWN	Purchasing of a mechanical roads sweeper	1 500 000.00
Solid Waste	OWN	508 REFUSE CONTAINER	1 600 000.00
Solid Waste	OWN	HYDRAULIC REFUSE CONTAINER CHASSIS	1 350 000.00
Solid Waste	OWN	BOOM GATE LANDFILL SITE	45 000.00
Solid Waste	OWN	TRACTOR REPLACEMENT	1 400 000.00
			<b>41 934 700.00</b>
		<b>TOTAL</b>	<b>79 359 000.00</b>

1. The Final annual budget of the municipality for the financial year 2023/2024 and the multi-year and single-year capital appropriations be approved.

	Adjustment Budget	Budget 2023/24	Budget 2024/25	Budget 2025/26
Total Revenue	-R 375 409 820	-R 414 368 574	-R 424 104 649	-R 429 449 697
Total Expenditure	R 370 213 697	R 376 417 456	R 400 635 007	R 415 284 817
Total Capital Expenditure	R 74 548 721	R 79 359 000	R 88 478 615	R 74 186 219

2. Tariffs and charges reflected be approved for the budget Year 2023/2024.

3. The amended Budget related policies as detailed be approved for the budget year 2023/2024.

Hon Speaker

In conclusion, we need to enhance our revenue strategy by giving rate payers some incentives in order to encourage them to pay for the services they are receiving from the municipality. We need to also collect revenue from our two townships which are Leeufontein and Elandsdraal.