

PIXLEY KA SEME DISTRICT MUNICIPALITY BUDGET SPEECH 2017-2018

Honourable Speaker of Pixley ka Seme District Council

Honourable Members of Pixley ka Seme District Council

Members of the Mayoral Committee

Honourable Chief Whip of the Ruling Party in Council

Honourable Mayors of the local municipalities in the district

District Heads of the sector departments

Representatives of the Youth Councils from both Kareeberg and
Siyathemba Local Municipalities

Distinguished Guests

Ladies and Gentlemen

Good afternoon

Molweni ngalenjikalanga

Goeie middag

Dumelang

Thank you Honourable Speaker for allowing me to deliver this budget speech for the 2017-2018 financial year. Please note that this is my maiden budget vote speech as the Executive Mayor of Pixley ka Seme District Municipality.

Speaker, an illustrious son of our country, President OR Tambo would have turned 100 years old this year, had he lived.

This selfless patriot dedicated his entire adult life to a tireless pursuit of the liberation of our country and its people. He left a lasting legacy for all South Africans, and not only for his organisation, the African National Congress. In his honour, 2017 has been declared the year of OR Tambo. It is the year of unity in action by all South Africans as we are together moving South Africa forward. No chapter in the history of our country will ever be written without reference to President OR Tambo. We owe our democracy, freedom and liberation to the likes of the great President OR Tambo and others of his generation.

Speaker, President OR Tambo and his generation fought a noble battle and lived their lives in pursuit of a better life for all. The democracy we enjoy since 1994 is the sweet fruit of their lives of struggle and an unwavering commitment to serve the people of South Africa with no expectation of any personal benefit. His greatness as a leader, was derived from his humility and his ingrained belief in and respect for collective leadership. President OR Tambo knew and taught us that wisdom comes from sharing insights and listening to and learning from each other.

He was always a unifier, never a divider, where others would speak in a hasty manner or act in anger, he was the patient one, seeking to heal and bring together those who are having different views.

In his life, he never sought nor wielded his authority by virtue of the office he occupied. He was ever ready to draw others into

leadership. He never asked of others what he was not prepared to do himself. President OR Tambo has fought the fight for all of us and we will forever be indebted to him for the sacrifices made by him and his generation.

Honourable Speaker, the year of President OR Tambo's birth coincided with the great and painful event in the history of humanity and that is the sinking of the SS Mendi, when 600 black, South African soldiers lost their lives. These soldiers, true to their tradition, demonstrated bravery in the face of death, that even shocked the captain of the ship. In his tribute to the South African soldiers who lost their lives with the sinking of the SS Mendi imbongi umfi u S.E.K. Mqhayi wabhala wenjenje: "Kukhonza mnye ukuze kuphile abanye" Somebody has to serve, so that others can live.

Honourable Speaker, we are also meeting a day just before the end of Africa month. During this month we also celebrated Africa Day. We are reminded that all of us, without exception, owe our existence and our being to the continent of Africa. We are part of the children of mother Africa, children of different shades, children of different tongues, but children of mother Africa.

Speaker, in celebrating African month all councilors of the Pixley ka Seme District Municipal Council, must make a personal commitment in the new financial year to start to learn and speak at least one African language. Those amongst us who cannot speak and understand Afrikaans must start to learn the language, likewise those who cannot speak or understand isiXhosa, seTswana or seSotho, must start to learn and speak the languages. It will be good for us to deliver our next budget speech, 2018-2019, in one of our African languages. Let us demonstrate our commitment to mother Africa by speaking her languages.

Speaker , I will be failing in my duty if I do not mention the current spate of violence and killings meted out against women and

children in South Africa. Statistics show that a woman is killed every eight hours in South Africa. More than 1000 women are killed by an intimate partner each year. Intimate partner femicide, which is the most common form of domestic violence, is the leading cause of the murder of women in South Africa.

A 2009 Medical Research Council study showed that the vast majority of female homicides went unpunished, with less than 38 percent of intimate-partner femicides leading to a conviction of less than two years.

Speaker, I would really wish to reiterate our call that the barbaric and brutal killing of women and children, including all forms of gender based violence must be treated as high priority crimes by the law enforcement authorities and all perpetrators of such atrocities must be denied bail and a maximum sentence must be imposed, if found guilty.

I also want to call on all men in the district to stand up against gender based violence. Their silence can only be understood as being in agreement with the murders of our mothers, sisters and daughters.

Speaker, I will through the Office of the Executive Mayor, start with preparations to mobilise the local community and stakeholders for a two day programme to highlight the seriousness of this matter. We will meet with stakeholders such as the Emthanjeni Local Municipality, NGO's, local churches, Department of Social Development, SASSA, Department of Education, SAPS, Department of Justice and Correctional Services and other relevant local structures, to ensure that our communities are more empowered to deal with this scourge. This programme will end in a community march and the handing-over of a memorandum to the Office of the Local Magistrate. We need to reclaim our communities and ensure that a safe environment is created for

females and children in society. This will happen during the first month of the new financial year, July 2017.

Honourable Speaker, 18 July has become part of our annual programme as the Pixley ka Seme District Municipality. This is the day on which we will join the world in celebrating the life and times of the late President Nelson Mandela. We will once again use this day to walk in the footsteps of utat uMandela to bring hope to the hopeless and poor in the community. We will once again go to some of our poorest communities in the district, to spread the message of hope.

Honourable Speaker, we are unfortunately meeting during a very difficult and socially depressing period, a period in which two of the global rating agencies downgraded the economy of South Africa. We know that this economic downgrade will eventually hit the poorest in the country the most, and will also lead to job losses in the economy as some investors will either downscale their operations in the country, or they will totally pull out of the country. The current situation needs our collective wisdom on how to protect those who are most vulnerable, as more poor people might be going to sleep without anything to eat. Local government, with the assistance from its stakeholders, must intervene to protect its constituency.

Honorable Speaker, we have been attending the 3rd Presidential Local Government Summit, on 6-7 April 2017. This summit was used to assess the progress made and the challenges experienced with the Back To Basics campaign, since its inception. The summit convened under the theme: Transforming municipal spaces for radical social and economic development. We are awaiting the official report from this summit so as to craft our own way forward with the implementation of Back To Basics as an institution. We can declare that this campaign contributed a lot towards normalising the operations at local government level. All

municipalities in the district must deliberately develop plans and programmes to transform their spaces into areas for radical social and economic development. Municipalities in general are now more focused on the task at hand, as a result of the Back To Basics campaign.

Honourable Speaker, the National Development Plan aims to alleviate and reduce inequality by 2030 through drawing on the energy of our people, growing an inclusive economy, building capabilities, enhancing the capacity of the state and promoting leadership and partnership within society. Radical economic transformation is aimed at changing the economic landscape in a rapid, focused and innovative way with maximum impact on the socio economic conditions of our people. This would require that we focus on four key elements in order to achieve this, job creation, localization, manufacturing, and the active participation of the rural motive forces for the change through the development of our rural areas.

Speaker, a Provincial Planning Forum has already been established which will act as a think tank to guide the development and finalization of the Provincial Growth and Development Strategy, that will inform the District Growth and Development Strategy. The finalization of both the PGDS and the DGDS will identify the sustainable economic development opportunities in both the region and the province, which will lead to an increase of sustainable job-opportunities.

Honourable Speaker, it is worth noting that we cannot undo the lifetime of deliberate and unjust planning overnight but we have made great progress and we will continue to work towards the realisation of this commitment. It is our collective responsibility to ensure that we reduce the high levels of unemployment, inequality and poverty in the district. To this end we will continue engaging all the solar companies in the district in an effort to

boost the economic viability of the district. Whilst we have the solar companies around the district now we need to ensure that we look at other economic opportunities which can be supported by them. This will contribute a lot towards the improvement of the lives of the poor and unemployed in the district.

Honourable Mayors, the creation of sustainable job opportunities has always been the priority of our government and movement. As leaders at local government level, we need to ensure the necessary and conducive environment for the creation of sustainable job opportunities. We need to be innovative and plan beyond the R1 million EPWP grant. Our LED strategies must be of such a nature that it attracts and retain sustainable investment from the private sector. We need to welcome and support the efforts put in by SALGA in trying to revive the economies of small towns in the Karoo. We are looking forward to the next SALGA Conference on small town economic regeneration to be hosted by the Emthanjeni Local Municipality.

Honourable Speaker, we remain committed in our support for the delivery quality public education in the district. I am also proud to announce today that Pixley Ka Seme district recorded a senior certificate pass rate 82.9% in the 2016 National Senior Certificate Examination, which was a 7,4 % improvement to the 2015 national Senior Certificate examination. This is an indication that the delivery of education is improving in the district, whilst more can still be done. We need to support the efforts of the Department of Basic Education in ensuring that basic services to schools are not interrupted unnecessarily, whilst all schools must be advised to always pay for the services that they receive from the local municipalities.

Speaker, education remains the only permanent and sustainable solution to escape unemployment, poverty and inequality. The power to improve education lies with all of us. We must actively

support departmental officials, teachers, learners, parents and all community members to make a commitment to a “Code for Quality Education. Municipal ward committees must pay equal attention to the provision of education in their wards, as it impacts on the socio-economic development of the ward. The faces of our children tell of the future we crafted for them LET’S MAKE IT WORK.

Honourable Speaker, we strongly believe that a productive and a successful nation is a healthy one. The government is making strides in ensuring that we improve the quality of health care in the district. The introduction of the NHI concept in 2012 resulted in the district to achieve the following:

- Centralized Chronic Medication Dispensing and Distributing (CCMDD) – Stable chronic patients are enrolled to receive their medicine monthly through courier services at the clinic collected through a fast line. All health facilities within the district are enrolling patients on this program.
- Establishment of 38 Ward Based Outreach Teams consisting of about 425 Community Health Workers. Ward Based Outreach Teams functions well as extensions of the health care system within the community. They are focused on screening, monitoring and adherence to counselling within the treatment cycle. These teams work in collaboration with the professional nurse in the relevant clinic who then also acts as the team leader for them.
- Electronic data on which Ward Based Outreach Teams capture households have been implemented at 15 of the 28 Primary Health Clinics. Community Health Workers will utilise this system to capture all information about households while conducting visits. This system will be integrated with the Health Patient Record System implemented by National Department Of Health in order to track patients throughout the district. Britstown Primary Health Clinic has been the first

to pilot this and is also champion for the district on this project.

- A District Clinical Specialist Team has been appointed to serve as specialists to oversee processes and develop skills. The district currently has an Advanced Midwife, a Family Physician, a Paediatrician, a Pediatric nurse and a Anesthetist. All of them are based in De Aar and conduct outreach to clinics on a regular basis.

Integrated Health services are rendered from 3 district hospitals, 8 Community Health Centres, 28 Primary Health Care Clinics, 4 satellite Clinics and 1 mobile Clinic, distributed all over the district. The district director has been appointed since July 2016 and manages all services together with her team of more than 1000 employees.

Preventative and curative services are provided to the community free of charge at primary health care clinics and community health centres. These services includes testing and treating of HIV\AIDS,TB screening and treating, immunization, family planning, pre- and postnatal care and other chronic illnesses. The construction of the new hospital has been finalised and the process of migration is underway. Both the administrative part and hospital section will relocate to the new building and this will assist the department to streamline administrative and health processes to ensure the best possible services to the communities of Pixley ka Seme District...asimanga thina ...siyaqhuba.

Municipalities need to be an active player in the health matters at a local level. We need to ensure the establishment of functional local HIV\AIDS Councils, Clinic Committees and Hospital Boards. All municipal councils need to be concerned about the high levels of illnesses in their localities, as this has a direct bearing on the levels of economic activity in their municipal-area. A healthy community results in sustainable income for the municipality.

Speaker, we need to ensure that we develop a productive relationship between the operations of the Community Policing Forums and the work done by the Ward Committees in the different local municipalities across the district. Municipal structures must be actively involved in the fight against crime and criminals, in fact councilors must be seen to lead such campaigns in society. Our responsibility as local government representatives goes beyond the provision of housing, water, sanitation and roads. Safer and crime-free communities must become part of our regular community outreach programmes.

Honorable Speaker, I have the honour in announcing today that we have been successful in the establishment of 2 Youth Councils in the district, 1 both in Kareeberg and Siyathemba Local Municipalities respectively. These are youth still in school, who have been introduced to local government and how it operates. It is important that we must deliberately cultivate the future leaders and administrators of local government in the district. Youth must be introduced at a very young age on the importance of local government in their lives. This programme will be extended to 4 more municipalities in 2017-2018.

Speaker, we have been minimally involved in the rendering of the housing function in the district for the current financial year, because of the appointment of the project management unit, V3, by COGHSTA. The following is an indication of the current projects being implemented by the project management unit in the district:

- Hopetwon 201 internal services
- Prieska 361 top structures
- Noupoot Tyoksville 25
- Eureka 87

Speaker, we are also directly involved in the following human settlement projects in the district:

- Vanwyksvlei 130
- Victoria West 170
- Marydale 55
- Niekerkshoop 54

Honorable Speaker, we have also been actively involved in quality assurance of all the abovementioned projects in the district, as well as providing consumer education to all first-time homeowners. We have all been involved in the registration of beneficiaries. We have been continuously training the housing clerks in the administration and management of the housing needs register and the housing subsidy system. Our collective fight for the devolution of the housing function and the full accreditation status for Pixley ka Seme District Municipality must therefore be continued in the 2017-2018 financial year.

Speaker, the implementation and management of the Rural Roads Asset Management Systems grant has also been progressing well during the 2016-2017 financial year. Pixley ka Seme District Municipality has been acknowledged by the national Department of Transport for the success in implementing this grant. We were successful in compiling the first report on the condition of the roads in the district. We have been requested by theDistrict Municipality in the Eastern Cape to share our experience in the implementation of this project.

Honourable Speaker, Pixley ka Seme District Municipality managed to maintain its unqualified audit opinion with findings from the Auditor General, for 2015-2016. The institution is now more than ready for its first unqualified audit opinion without matters of emphasis, after having maintained its unqualified opinion with matters of emphasis for the past 3 financial terms. The Auditor General has acknowledged the steady progress made by Pixley

ka Seme District Municipality over the last couple of years, in relation to its auditing performance. This was achieved with the full and active support of the Municipal Council, in particular the Municipal Public Accounts Committee and the Audit Committee. The community of the Pixley ka Seme District can therefore be assured that the public funds entrusted unto this institution is managed in a transparent and administratively correct manner, and used for the purpose which it is earmarked for.

Honourable Speaker, Pixley ka Seme District Municipality is also proud to announce that it promoted some of its officials into more senior positions, in their current field of operations, 12 officials in total, during the 2016-2017 financial year. These are therefore not new appointments. Part of these appointments is the appointment of two senior managers, one responsible for Corporate Services and the other one responsible for Internal Audit.

Speaker, Pixley ka Seme District Municipality has demonstrated its commitment towards gender-parity and the emancipation of females in the workplace, by having appointed Ms Rachelle Sors as its new Chief Audit Executive, an appointment which she deserved as a result of her own personal development, academic achievements and professional attitude towards her responsibilities as an employee of Pixley ka Seme District Municipality. We trust that these officials will ensure that Pixley ka Seme District Municipality improves its operations going forward.

Speaker, let me take this opportunity to congratulate the administration in general, but more specifically the Corporate Services Department for ensuring that Pixley ka Seme District Municipality won the gold award in the recent national award ceremony held by the Local Government SETA, for its implementation of the learning-programmes offered by the LGSETA. Pixley ka Seme District Municipality made headlines for prioritizing the development and training of its employees.

Speaker, spatial planning and development in the district also enjoyed our serious attention during 2016-2017, through the operations of the District Municipal Planning Tribunal, in line with the mandate of SPLUMA. The district municipal planning tribunal met regularly to assess applications received from local municipalities. This ensured that all local municipalities keep track of the development in their areas.

Honorable Speaker, we have also concluded our IDP-processes, and the following will be some of our IDP-priorities for our term of office:

- Good clean governance
- Compliant support service
- Viable and compliant financial management
- Clean Audit
- Enhanced support to local municipalities
- Enhanced economic growth
- Improved Integrated Development Planning
- Compliant HR Services
- Disaster readiness
- Healthy Environment

Honourable Speaker, Pixley ka Seme District Municipality received a very comprehensive district community satisfaction survey, which was completed during the 2016-2017 financial year. The findings of this community satisfaction survey will inform and direct our work during the 2017-2018 financial year. We have also completed the construction of the landfill-site in Keurtjieskloof with part of the R1 million received from Department of Roads and Public Works, as well as the renovation of the offices at our main building.

Speaker, we will assist the Siyancuma Local Municipality to develop its asset base in the new financial year, by paving a

street in Schmidtsdrift. This is an area with a total absence of infrastructure, and the paving of a street in the area will contribute towards temporary job-creation and socio-economic development in the area. We will ensure that more development is directed towards Schmidtsdrift in 2017-2018, in an attempt to alleviate the poverty, underdevelopment and unemployment in the area.

Honourable Speaker, our sister department, the Department of Roads and Public Works in the district have also implemented a number of projects in the district, which include amongst others, the following:

- Paving of internal streets in Ubuntu Local Municipality, in Richmond, with 83 job opportunities created
- Cleaning of public facilities and streets in Thembelihle, in both Hopetown and Strydenburg, with 140 job opportunities created
- Routine road maintenance and storm water drainage in the district, with 175 job opportunities created
- Construction of double ECD classrooms at Ikwezi Lokusa Primary School in Noupoort. (Still under construction)
- Construction of a new library in Renosterberg, in Petrusville (Still under construction)

The following are some of the planned projects for 2017-2018 financial year:

- Paving of internal streets in Ubuntu Local Municipality, in Richmond, with 50 job opportunities
- Cleaning of public facilities and streets in Thembelihle, with 60 job opportunities
- Handyman service to repair and clean public bodies infrastructure, in the entire Renosterberg, with 60 job opportunities

- Paving of internal streets in Kwazamuxolo and EurekaVille in Umsobomvu, with 60 job opportunities.

Honourable Speaker and Councillors, I am today presenting a budget of R52, 3 million for the 2017-2018 financial year. Included hereby is an amount of R1, 2 million that needs be deducted as a non-cash item, which does not really form part of the actual income.

The budget is totally grant-dependent, and is constituted as follows:

- Grants: R47,8 m
- Shared Services: R2,7m
- Administrative Cost: R250 000-00
- Interest: R250 000-00
- Rental income: R70 000-00
- Actuarial Gain: R1,2 m

Honorable Speaker, the income budget for 2017-2018 will be 92% funded by grants. The current grant-allocation formula utilized by National Treasury is still not favouring a rural district municipality like the Pixley ka Seme District Municipality, taking into account the distances that need to be travelled to deliver services in the district.

The current Service Level Agreement with the local municipalities, in relation to Shared Services will be ending on 30 June 2017. The administration had numerous meetings with the local municipalities in the district, which meetings ensured that the relationship between Pixley ka Seme District Municipality and its local municipalities continue. The new Service Level Agreement signed will be operational for the next 3 years.

Speaker, it must however be reported that the only 2 local municipalities not to have signed the Shared Services SLA are Renosterberg and Ubuntu Local Municipalities. Pixley ka Seme

District Municipality will therefore not be rendering any shared services assistance to the 2 mentioned local municipalities. We are however hopeful that the 2 local municipalities will sign the service level agreement before 1 July 2017, in order for us to record them during the adjustment budget in January 2018.

Honorable Speaker, we will once again engage the Provincial Treasury for assistance for the rendering of shared services during 2017-2018, as the current payment arrangements with the local municipalities do not cover the total personnel-expenditure for the entire basket of shared services provided to the local municipalities. We will be ensuring that those local municipalities that signed up for the shared services do pay their dues to the Pixley ka Seme District Municipality, as agreed upon between themselves and the Pixley ka Seme District Municipality. We will assist the local municipalities become administratively stronger through the rendering of the shared services, and thereby not neglecting our responsibility towards the local municipalities in the district.

Speaker, the total expenditure budget for 2017-2018 tabled here today amounts to R52,3million. It is slightly more than the income budget, but please note that this also includes the depreciation, which is a non-cash item. Further note that this expenditure budget is the lowest of all 9 municipalities in the district, even the Renosteberg Local Municipal budget is higher than ours.

Speaker, our biggest expenditure item in our current is the personnel-expenditure, but it is justifiable if one considers the number of functions to be fulfilled by the Pixley ka Seme District Municipality, as well as the vast distances to be travelled by the officials of the institution. The expenditure budget is comprised as follows:

- Personnel Cost R29,1m
- Councillor Remuneration R4,2m
- Operational Cost R12,03m

- Repairs and Maintenance R1,8m
- Contractual Agreements R1,7m
- Interest R120 000-00
- Depreciation R2m
- Professional Fees R600 000-00

Honorable Speaker, the current budget has been prepared in line with the newly regulated MSCOA guidelines and prescripts issued by the National Treasury. Our aim as the Pixley ka Seme District Municipality is to comply with the directive as set by the National Treasury, which is to be MSCOA-compliant as from 1 July 2017. It must be reported that it is quite a difficult and administratively cumbersome process, as well as being a very expensive exercise. We could unfortunately not assist any of our local municipalities during this process.

Honorable Speaker, we will not, due to our dire financial position, be in a position to fund any infrastructure or capital project out of our own finances, but we will ensure that our employees do honour all their legislative-prescribed duties. We will however utilise the R1m from the EPWP to fund the Schmidtsdrift road project.

Speaker, we must intensify our engagements with the Office of the Auditor General in 2017-2018, for it to seriously consider its annual auditing account to Pixley ka Seme District Municipality. We have already started with the process in 2016-2017, and we must strive to conclude it during 2017-2018.

Speaker and Councilors, let me take this opportunity to declare a word of appreciation for all the members of the local community in attendance today, all the district heads of the sector departments, the representatives from the 2 youth councils in the district, as well as all the guests.

Let me also congratulate the current municipal council for adopting its first municipal budget during its term, leaving us with 4

more annual budgets to adopt during our term as councilors at Pixley ka Seme District Municipality.

Speaker, let me also thank the Municipal Manager and the entire senior management team and the staff of Pixley ka Seme District Municipality for their commitment and loyalty towards this institution.

Enkosi

Dankie