

**ADDRESS BY THE MAYOR OF THE ELIAS MOTSOLEDI LOCAL MUNICIPALITY:
CLLR. JULIA LATA MATHEBE ON THE OCCASION OF THE STATE OF THE
MUNICIPAL ADDRESS COMBINED WITH THE ADOPTION OF IDP AND BUDGET
FOR THE 2019/2020 FINANCIAL YEAR HELD ON THE 28 MAY 2019 AT
MONSTRELUS STADIUM.**

Honourable Speaker, Cllr Tladi

Chief Whip of Council, Cllr Phahlamohlaka

Members of the Executive Committee

Honourable Councillors

Our Traditional Leaders

Acting Municipal Manager and his Management Team

Council Support Staff

Distinguished Guests

Community Members in the Public Gallery

Members of the Media

Ladies and Gentleman

Thobela

On behalf of Elias Motsoaledi Local Municipality I extend warm greetings to all of you who to share with us this important occasion of the State of the Municipal Address and the adoption of IDP and budget for year 2019/2020. It gives me pleasure to speak before our communities who always support the programmes of the institution and we value your presence. Let me also welcome the People of our Municipality who are joining us today via the live broadcasts Moutse and Thabantsho Community Stations.

I am privileged ,once more to stand before you at this august occasion as a humble servant of the people of Elias Motsoaledi , to share with all of you the state of our municipality given the work we have done in this financial year of 2018/2019.

In this address I will also share with you the plans that we have for the 2019/2020 financial year that will commence on the 1st of July.

Fellow residents, together with the Mayoral Committee and the Senior Management Team , we all wake up to this thought-provoking question every day: How do we use the minimal resources to achieve maximum impact in improving service delivery? Every day, we are faced with the challenge of using the least to achieve the most and that is the true state of our municipality. In all our meetings, programmes and activities, we are concerned about the people and their complaints and concerns regarding service delivery.

We have always placed you, the residents of Elias at the centre of governance by constantly engaging you in matters of your local government, a sphere of government closest to the people. Through IDP and Budget Public Participation Meetings and the Mayoral Ward Outreach Programme, we have strongly protected the constitutional right of the people to participate in local government.

CONGRATULATORY MESSAGE

Hon, Speaker, we deliver the State of the Municipality's Address of Elias Motsoaledi Local Municipality just few-days after our beloved country (South Africa) went into the sixth democratic elections as part of a commitment to create an enabling environment for the people of this country to work for, earn and live a better life and enjoy the fruits of a democratic society. We congratulate the Independent Electoral Commission (IEC) for delivering a peaceful and transparent 6th general election for our beloved country – South Africa.

Honourable Councillors, our people have declared their trust in the National and Provincial of the ANC, and since then they have said their firm hope and faith in the ANC. In addition, I can declare with confidence that we have done our level best not to disappoint them. Although we believe that we are not yet on the highpoint of our political goal I can also declare with confidence that South Africa today and is much better that it was before 1994.

We also congratulate Cde Stan Mathabatha as the Premier of Limpopo and others who have been mandated and deployed to lead various provinces together with their Executive Committees. We further congratulate the newly elected President Cyril Ramaphosa and his Deputy, the Speaker and Deputy Speaker, all Ministers and their deputies.

Honourable Speaker, we have open conversations with our communities through various community participation platforms across the municipality and residents confirmed that Elias Motsoaledi is indeed at work in delivering service to our community , but more work still needs to be done.

As our term of office began in August 2016, it is very import today, to take a few steps back to allow ourselves to reflect and measure progress against the promises that we made as guided by ruling party's manifesto.

Honourable Speaker; while the ruling party's manifesto guides us to strengthen public participation as part of the agenda for this term of office, we have held consultations with communities through the Mayoral Imbizos, Community Outreach Programs, IDP and Budget Representative Forums, MPAC Roadshows, IDP and Budget Roadshows. This is all part of advancing people's power to determine their own destinies and to meet their expectations.

Some of the challenges raised by communities during our IDP and Budget roadshow are:

- **Roads Infrastructure**
- **Water and Sanitation**
- **Electricity**
- **Refuse Removal**
- **Health Services**
- **Support of Small, Medium and Macro Enterprises (SMME's)**
- **The high rate of unemployment which contributes to high levels of poverty**

Intergovernmental Relations

We are working hard to strengthen the Inter-Governmental Relations unit (IGR) as at a level of a local Municipality, we have identified the gap where we are not able to work very closely as with Government Departments operating in the province. There are few examples that we can use to illustrate this, for instance we cannot battle to get Government departments to contribute their projects and Programme into the Municipal IDP. Honourable Speaker this is the area that need more attention and focus. We will be working with our government departments to close the gap right as soon as possible

FINANCIAL POSITION

Over the course of this term of office we have, made bold pronouncements and commitments aligned to the identified priorities. Yes, we have kept our word. We have done what we said we would do. We have worked hard to improve and strengthen our finances. Our finances today are in a better shape than they were yesterday. We have built a solid foundation of financial sustainability. We have worked hard to increase our investments in infrastructure aimed at improving the quality of life of our communities. We have worked hard to improve the quality of our services.

Fellow residents and honourable councillors

Elias Motsoaledi Local municipality has proved that dedication and hard work pays, this is after the auditor general gave the Municipality an unqualified audit opinion for the 2017/2018 financial year. In appreciation for achieving unqualified Audit Opinion, the municipality was honoured with **AWARD FROM SALGA IN LIMPOPO**.

OVERSIGHT COMMITTEE

Hon Speaker, the Council appointed Municipal Public Accounts Committee, which is a Council oversight committee in terms Section 79 of the Municipal Systems Act. The MPAC under the leadership of Councillor **Justice Makunyane** has played a crucial role in assisting council in its oversight role. Earlier in the year, the Committee conducted public consultation on annual report for 2017/2018, which it subsequently tabled to Council. The MPAC outlined in its report amongst some of the challenges, that minimal comment was received from the public. The MPAC has identified the need to educate our communities on the assessment of the annual report, which the community has the responsibility to do.

Also in improving oversight, Council has adopted a performance assessment system to ensure the functionality and effectiveness of the Audit Committee, the audit committee is an independent advisory committee established in terms of Section 166 of the MFMA, which advises Council and the Accounting Officer on the effectiveness of financial management systems; internal financial control and other critical municipal systems. This is one of the committees, which has assisted the municipality in seeing the improvements made on financial management, which have improved the overall financial performance.

Honourable Councillors, the above mention committees was identified as the most functional MPAC in Sekhukhune District for the financial year 2018/1/2018 by salga Limpopo.

STATUS QUO OF THE INVESTMENT MADE BY THE MUNICIPALITY WITH VBS

Honorable speaker let me take this opportunity to inform the public about the status quo of the investment was made by Elias Motsoaledi Local Municipality with VBS Mutual Bank.

1. The Municipality had previously invested the total amount R 190 Million with VBS bank between 2016/2017 and 2017/2018 financial year.
2. The entire capital amount R 190 million that was invested was withdrawn.
3. The total interest received by the municipality from VBS is R 2,559,00
4. Only an amount of R48,247 relating to interest was noted received and that amount is also disclosed under note 10 of 2017/2018 annual financial statements.(AFS)

To this end, the Municipality confirms that no financial loss was experienced on the invested capital and furthermore that no service delivery programs/project were negatively affected by this investment. The community member who seeks further information on this matter can visit the office of the Municipal manager during office hours

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Honourable Speaker; on Good Governance I will highlight the stability we have experience in this Council. This Council has manage to lead the Municipality and provide political leadership at all times. The Council is composed of ANC, EFF, DA, BPSA, MP and SAMEBA .All Council meetings are sitting as per the annual calendar of the Municipality. Council committees as well are sitting as per the calendar. We have met all our obligation as Council as legislated in terms of Municipal Systems Act No 32 of 2000 and the Municipal Finance Management Act no 56 of 2003.

BASIC SERVICE DELIVERY

ELECTRIFICATIONS

Honourable Speaker we remain convinced that access to electricity should be considered as a basic human right. In this regards we can indicate that an amount R9.5 million from INEP has been used in current financial year for electrification projects in various communities of Elias Motsoaledi like:

- ❖ **Electrification of Masakaneng Village Phase 3 (221 households)**
- ❖ **Electrification of Households in Mmakaepea Village Phase 3 (279 Households)**
- ❖ **Electrification of Tambo Village Phase 3 (283 Households)**

Elias Motsoaledi Local Municipality managed to increase its revenue base by acquiring the Electricity distribution license of the following areas:

Game Farm, Twin city Mall, Masakaneng, Mapoch ground

The Municipality is planning to upgrade the current Groblersdal substation from 20MVA to 40MVA as it will reach its full capacity and will have a negative economic growth of the municipality

FREE BASIC ELECTRICITY

Fellow councillors

Elias Motsoaledi Local Municipality has an indigent policy in place, which outlines criteria for registering indigents in order to receive free basic electricity from the Municipality.

For the 2018/2019 financial year, 10028 indigents were registered on the indigent register and only 1967 were configured by Eskom to receive free basic electricity. It is important to indicate that our community members must note that indigent support is only valid for one year, also people are urged to report to the municipality once the situation has improved

because it is as bad as fraud to continue receiving the support when the situation has changed for the better and you are no longer meeting requirements of being listed as indigent support beneficiary.

ROADS CONSTRUCTION AND MAINTENANCE

Accessible road infrastructure is a critical component of economic growth and social development in our communities. It provides the required impetus for the quicker movement of goods, services and our people.

The municipality has acquired the following as part of the commitment in improving the provision of access roads to our communities: 12 x trucks, 7 x Tipper trucks, 12 x Graders, 8 x TLB and 1 x Roller. We believe that this plant will contribute highly to the delivery of services to our communities.

Honourable Councillors, Elias Motsoaledi was amongst other municipalities that was mentioned by the Premier of the Limpopo Province Hon. Chupu Mathabatha during the 5th state of the province address as the performing municipality when it comes to MIG spending.

The following statistics bear testimony to this:

MIG PROJECTS

- ❖ **Kgaphamadi Construction of Bus Road, and 5.5km Bridge Storm-Water Control Phase 1E**
- ❖ **Kgoshi Mathebe, Kgoshi Matsepe and Makgopheng Construction of Ring Road (1200m)**
- ❖ **Laersdrift Bus Route PH1B (1620m)**
- ❖ **Mpheleng Construction of Bus Road and Stormwater Control Phase 1E (1350m)**
- ❖ **Naganeng Construction of Bus Road (5160m)**

Fellow councillors and Residents of Elias Motsoaledi

Through Equitable share; the Municipal Infrastructure Grant, the Integrated National Electrification Programme, we have allocated resources to invest in infrastructure.

To this end, Elias Motsoaledi Local Municipality has allocated a total budget of **Ninety-one million, four hundred and thirty thousand, four thousand ninety-four and eighty-five cent** to construct different projects during the 2019/2020 financial year:

MIG FUNDED PROJECTS

JJ Zaaiplaas Road, Kgaphamadi Route, Tambo / Walter Sisulu Road and Groblersdal Landfill Site

Upgrading of Dipakapakeng Access Road (Design only) and Upgrading of Uitspanning A to Bloompoot Access Road (Design only)

INEP FUNDED PROJECTS

Electrification of Mashemong (116 households), Electrification of Ntswelemotse (116 households) Electrification of Masakaneng (298 households) and Electrification of Tambo Village (975 households)

INTERNAL FUNDED PROJECTS

Machinery and Equipment, Completion of 2 High Mast Lights in Ward 10, Groblersdal Roads and Streets Motetema Internal Streets, Culverts and Road Signs, Upgrading of Tafelkop Stadium Access Road and Development of Fleet Centre / Workshop

REFUSE REMOVAL AND WASTE MANAGEMENT

Solid waste management is another critical aspect of our drive towards entrenching decent sanitation in our communities. The municipality provides waste management services that include waste collection, street cleaning, clearing of illegal dumping, and waste disposal.

- Provision of Refuse removal services to 9934 Households (once per week) and 477 Businesses (Three times to seven times per week).
- Refuse Collection service is rendered to: Motetema, Groblersdal, Hlogotlou, Roossenekal,

Elandsdoorn, Tambo square and Walter Sisulu.

Honourable Speaker, allow me to report on the Completed R20 million Waste management project of Elias Motsoaledi Municipality.

Working on Waste Programme is one of the The Department of Environmental Affairs initiatives that contribute towards eradication of poverty and creation of sustainable job opportunities for the youth, women and people living with disabilities in particular. It aims to create and support mechanisms for the protection of the environment and create sustainable livelihoods through recycling of waste collection and minimisation. Elias Motsoaledi lodged application for funding, where it was allocated R20 Million with the additional +2.5M, for the development of Groblersdal Landfill Site & Hlogotlou Waste Transfer Station inclusive with other facilities.

The project, which was implemented in accordance with the requirements of government's Expanded Public Works Programme, hired a total of 136 participants, of whom 91 are women, 61 are youth and 3 are people living with disabilities. These beneficiaries were also trained and acquired skills in different areas including First Aid, Occupational Health and Safety, Environmental Awareness and Sustainable Tourism.

It entailed upgrading of the Groblersdal landfill site, installation of flood lights, demolition of existing old building, construction of a guard house, construction of septic tank and French drain, recycling of waste products, the upgrading of the Hlogotlou waste transfer station by construction of a new guard house, erection of a concrete palisade fence, paving and kerbing for roads, planting of tress, purchasing of a grass cutting machine, purchasing of 5 compactor refuse containers, waste collection and recycling.

POVERTY ALLEVIATION.

Honourable members...! Honourable members...! Again, we have made it. The Department of Environmental Affairs fulfilled its mandate of contributing towards the eradication of poverty and creation of sustainable job opportunities and has yet again allocated the total amount of **27 million** for working on land programme in Elias Motsoaledi local municipal areas, wherein more than 300 job opportunities will be created. The above mention project will commence in the next financial year 2019/2020.

SPORTS FACILITIES

Fellow residents, during the 2016/2017 Financial Year, Elias Motsoaledi Local Municipality was one of the Municipalities selected to benefit from the R 300 million of Municipal Infrastructure Grant (MIG) from the department of Sport and recreation. An amount of R 10 000 000.00 VAT Incl. The funding was utilized for the upgrading of the Hlogotlou Stadium in the Monsterlus in ward 20.

LIBRARIES

In ensuring, that we improve access to information Elias Motsoaledi Local Municipality has signed service Level agreement with Department of Sports, Arts and Culture for management of three libraries (Roosenekal, Vlakfontein and Groblersdal). The main objectives of the libraries are to reduce the level of illiteracy and to build a well-armed society.

Our young people, in and out of schools, are using our libraries with over 23 306 recorded in-house users and we hereby encourage more and more young people to walk into our libraries to acquire knowledge and information. All our Libraries have free Internet access for 1 hour per person a day and also Free Wi-Fi.

MAYORS BURSARY PROGRAMME AND YOUTH EMPOWERMENT

Honourable Councillors education is central to the skills development strategy and for a new economic growth path and to address issues of social development. According to **Malcolm X** about the importance of education said. "Education is the passport to the future, for tomorrow belongs to those who prepare for it today." Quote closed.

Therefore, Honourable Speaker education is minimum requirement to change the human lives. The municipality in this current Financial Year, the amount of 1 Million is budgeted for assisting the needy students with registration fee at various tertiary institutions, and will continue to contribute to this life-changing programme in future

And in this regard, as part of our commitment to assist young people to equip themselves with education, the municipality has allocated bursaries to 40 students from poor backgrounds to various tertiary institutions in South Africa

Fellow residents, Department of Agriculture, Forestry & Fisheries awarding bursaries as part of the Minister's back to school campaign has managed to award Two (2) bursaries to (Mr Mphali Brown Ramaduma for BVSc at the University of Pretoria and Mr Mtshweni Leonard for Diploma in Agriculture at Tompi Seleka College of Agriculture)

The reason for awarding only two bursaries was because of the insufficient applications received from the school and the district. There is a need to encourage all our learners in this community to apply for these bursary opportunities, as these are made available by our government to lend a hand to this community.

However, it should be noted that, for 2020 academic year, the department DAFF has committed and made available: 13 bursaries, which will be distributed as follows: 10 for Colleges of Agriculture and 3 for scarce skills in agriculture, forestry and fisheries. The department committed to advertised and published by the end of May 2019, please visit municipal youth desk for more info on this regards.

INTERSHIP PROGRAMME, EXPERIENTIAL LEARNING AND YOUTH DEVELOPMENT

Oliver Tambo the late former ANC President once said, “A nation that does not take care of its youth does not have the future and does not deserve one”. Youth Development is the cornerstone to the future of our country hence we have undertaken implementation of the following programmes to ensure that we develop responsible youth:

As Elias Motsoaledi Local Municipality, we remain committed towards empowering our young people through internships and experiential programmes. We believe that by exposing the youth to practical work environments we are equipping them with the necessary practical skills, which will ensure that they gain sufficient experience to be able to apply for and obtain jobs anywhere.

Fellow residents

Our municipality has an ongoing relationship with NYDA and we appreciate the support and inflow of assistance that has been provided to our Youth coordinators.

I think having the NYDA in our district, in our municipality will not only beef up the logistical support to our young people, but it will also assist in ensuring that the facilities that were not easily reachable will now be at our doorstep therefore allowing our youth to grow and gain more and more knowledge.

There are many young people who drive community and youth development initiatives and are committed to transforming the lives of others our job is to help them make that

goal a reachable and formidable one. We need to motivate young people to get into the mind-set of being builders of a future. Of being, businesspersons and women who want to hire and not be hired. We need a youth like that of 1976 who said KWANELE. They must not always wait on being spoon-fed. Our young people are falling into the dangers of drugs, alcohol and crime because they are unemployed.

We fully support the establishment of the National Youth Development Offices in our municipality and we trust that our working relationship will be as fruitful and prosperous as it has always been.

Our 80 apprenticeship students partnered with NYDA are now at an advanced stage where the first 40 students went for their experiential trainings while the other 20 is back and placed around areas in the province for their workplace experiential training for a period of at least 8 months and they'll we expected to go back for their final theoretical training before sitting for their trade test which is the final stage.

SPECIAL PROGRAMME UNIT

Honourable speaker, currently there are 18 registered aged club within the municipality and according to the Premier's office, our municipality is on top regarding centres/clubs in the province.

SUPPORT TO THE AGED PEOPLE

Currently there are 17 registered aged club within the municipality and according to the Premier's office; our municipality is on top regarding centres/clubs in the province. The municipality in partnership with Kukhula Growth Development where 18 disabled people concluded the Business Practice leadership and 15 disabled people are currently in Contact Centre Leanership in Moutse for the period of 12 months with Kukhula Growth Development.

HIV/AIDS

The municipality established the Local Aids Council, which is the multisector approach to address the pandemic of HAST (HIV/AIDS, Sexual transmission disease and TB) programmes. The Limpopo Provincial Aids Council Framework of 2011 and the National Strategic Plan of HAST guide it for 2017-2022.

We have a functional and active Council Committees for all the above special programs including the Technical and Local AIDS Council. We are working very closely with the Department of Health and other sector departments to compile reports, share experiences on how we can combat the scourge of HIV and AIDS.

SPECIAL PROJECTS SUCCESFUL ACTIVITIES

Elias Motsoaledi Local Municipality in partnership with Eskom has made a contribution of the 67th minutes of Mandela day at Sephaku village (Vlaakfontein), Santa Thwalanani Care Group for the installation of electricity at the centre. The response came after Thwalanani Care Group made a request to the municipality.

Limpopo Legislature held a provincial women's parliament under the theme "100 years of Albertina Sisulu: A woman of fortitude, women united on moving South Africa forward" All municipalities were present with their delegation and amongst the attendees 100 were from Elias Motsoaledi. The event was held at Baptist Church in Ntwane Village (ward 10) on 25 August 2018.

The office of the Mayor in collaboration with JOJO TANKS LTD, donated three (3) tanks to the following old age centres; Mpheleng, Luckau and Mogaung aged centres.

LOCAL ECONOMIC DEVELOPMENT

Elias Motsoaledi Local Municipality supports participative strategies for local economic development in its area of jurisdiction, with the aim of promoting economic growth geared to local conditions and resources, creating income and employment opportunities for all segments of the population and enhancing good governance at local level

The municipality is operating in a market economy wherein the engines of economic development are primarily in the hands of private businesses that create wealth and jobs however, the private sector cannot succeed without favourable business conditions in which to thrive and grow. The municipality is currently working hand in gloves with other public sector institutions in helping to establish and maintain those favourable business conditions so that firms that operates within the jurisdiction of the municipality can compete successfully and fairly with firms from other regions.

Honourable Councillors

Given the above, conditions and the roles that the municipality has to play in local economic development; during 2018/19 the municipality in collaboration with Department of Public Works has managed to create 1760 work opportunities through EPWP and CWP programmes. In addition, the Gold Rush Gaming Group has created 43 permanent employment opportunities by opening a new branch at Groblersdal Regional Mall.

In striving to capacitate the SMMEs and cooperatives the municipality in collaboration with SEDA (Small Enterprise Development Agency) has ensured that 33 enterprises received their working equipment through IMEDP (Informal and Micro- Enterprise Development Programme), the equipment are for catering, saloon, dress making, car wash, cleaning, electrical and etc. It is expected that this start-up equipment's will assist these enterprises to grow and make a meaningful impact on our economy. An addition, LEDA also provided working to tools to 10 Entrepreneurs operating in different sectors (i.e. Agriculture, Toursim and Service). Over and above, the municipality is committed to provide enterprise development support to the SMME and Co-operatives with the endeavour to intensify economic activities, as this would enable them to create the requisite jobs and improve the living standards of the communities.

To develop capable institutions, which will drive economic development, there is need for provision and maintenance of critical infrastructure. SANRAL is bringing huge investments in the form of road construction, improvement and maintenance. Currently four (4) national roads, which cut across the municipality, were identified for upgrading and maintenance, namely the N11, R573, R555 and R579. It is expected that these investments will create more opportunities for unemployed and SMMEs. Two Project Liaison Committees were established to facilitate works execution, sub-contracting and employment facilitation. They will also serve to ensure communication and transparency in the execution of works and to ensure inclusivity in the allocation of projects to benefit black business and local communities.

The youth are also our priority, the municipality has facilitated the establishment of NYDA offices at Commando witch will nurture their business acumen of young people of Elias Motsoaledi Local Municipality and expose them to funding and business or investment opportunities available within the country. We are in processing of witnessing the fruits of this office as young people are currently frequenting for various assistance.

The municipality has comparative advantage in terms of agricultural production, the major crops produced in our area includes citrus, table grapes and vegetables however, the majority of land reform farms are currently not operational due to myriad of challenges which amongst others includes lack of finance, production inputs, access to market, lack of skill and group dynamics. During the upcoming financial period 2019/2020, the municipality together with relevant stakeholders will focus largely on unlocking these challenges such that the farms that were previously productive will resume with their production. This will help in terms of reducing persistent poverty amongst our communities since more jobs will be created during the production processes.

Summary of adoption 2019/18 IDP and budget is as follows

I now indicate the specific allocation for 2019/2020 and compare it with those of 2018 /2019 financial year.

The total Operating Revenue Budget amounts R 500 million and Operating Expenditure Budget amounts to R 482 million resulting with the operating surplus of R 18 million.

The Operating Expenditure Budget represents 83 percent of the total Expenditure Budget and the Capital Budget on the other hand represents 17 percent of the total Expenditure Budget. The 2019/2020 Budget is 11 per cent more than the 2018/2019 Expenditure Budget. An increase is mainly due to increase in DoRA allocation in 2019/2020 financial year and the above CPI tariff for Electricity as recommended by NERSA.

REVENUE GENERATION ASSUMPTIONS

The total grants allocated to the municipality in terms of the 2019 Division of Revenue Bill amount to R 346 million for 2019/20 financial year, reflecting an increase of R36 million (12%) over the 2018 DORA allocation.

The operating revenue budget for 2019/20 that amounts to R 500 million reflects an increase of R 45 million relative to 2018/2019 operating revenue budget of R455 million which is tantamount to an increase of 9.9 per cent. The audited operating revenue amounts to R423million for 2017/18. The base assumption is that tariff and rates increases will increase at a rate equivalent to CPI over the long term.

Honourable Speaker; to fund our budget' needs and to make provision for inflationary increases in goods and services required, we do need to adjust our tariffs in a reasonable manner, taking cognizance of the areas where we are currently experiencing losses.

THE TARIFF INCREASES ARE AS FOLLOWS:

On 7 March 2019, the Energy Regulator granted Eskom an annual average increase of 9.41 per cent for municipalities, however the projected increase was later on revised to 15.63 per cent and this was presented in the NERSA's final consultation paper

The Elias Motsoaledi Local Municipality's electricity tariff is recommended to increase by 13.07 per cent t by The National Energy Regulator of South Africa (NERSA) and the tariff was factored in the 2019/20 budget accordingly. The 13.07 per cent increase Honourable Speaker is in the main informed by high bulk purchase increase. As the municipality, we always look forward to adjust our tariffs in a manner that takes into account the affordability of the community we serve.

Honourable Speaker, Property Rates tariff will increase in 2019/20 on average by 5.2 per cent, which is in line with Consumer Price Inflation (CPI)

OPERATING EXPENDITURE GUIDELINES AND ASSUMPTIONS

The total operating expenditure budget for 2019/20 that amounts to R 482 million reflects the increase of R 33 million relative to 2018/19 budget year, which is equivalent to an increase of 7.4 per cent.

The increases on key expenditure cost drivers will be as follows in 2019/20;

The employee's remuneration cost; Bulk purchases and contracted services amounts to R 147 million; R 80 million and R 56 million respectively that is 59 per cent of a Total Operating Expenditure.

CAPITAL EXPENDITURE ASSUMPTIONS

Honourable Speaker, the total capital expenditure for 2019/20 amount to R 95 million reflecting an increase of R 18 million as compared to draft 2019/20 budget. The increase is attributed to inputs received during stakeholders consultation on the draft budget.

The difference in capital budget for the two financial years is due to an increase in Municipal Infrastructure Grant (MIG) and Integrated National Electrification Grant (INEP) allocation in terms of Division of Revenue Bills

The municipality is proud to announce that due to its high performance in implementing the MIG projects an additional R 8 million has been allocated to the municipality in 2018/2019 and was appropriated in a special adjustment budget that served in municipal council during the month of April 2019. The 2019/20 Capital Expenditure will be funded mainly from capital conditional grants allocation and internally generated funds as follows:

- R 55 million Municipal Infrastructure Grant (MIG) specifically for roads projects
- R 19 million Integrated National Electrification Programme for electricity reticulation
- R 21 million internally generated funds

Honourable Councillors

In conclusion, I wish to take this opportunity and thank all the MMCs, the ANC Caucus, fellow Councillors, and our staff members. We continue to count on the unwavering support and commitment of our Ward Committees, CDWs and community based structures to ensure that all our people take part in the development of their lives.

The task of developing our communities can never be left to government alone but both the civil society and the business community have a crucial role to play.

As elected politicians from the African National Congress and opposition parties we should at all times be driven by the desire to serve. All our officials must all times understand that their duty is provide quality services to our people.

It is an honour for me to table the IDP, the Budget, budget for the 2019/2020 financial year in compliance with related policies and tariffs before the Honourable Council, community members and various stakeholders of Elias Motsoaledi for consideration.

KGAOGELO YA TATAGO MORENA WA RENA JESO E BE LE LENA. AMEN

THANK YOU