



IDP PRESENTATION SPEECH BY HONOURABLE MAYOR 30TH

JUNE 2022

Honourable Speaker, Honourable Councillors, Senior Managers of Letsemeng Local Municipality administration and distinguished community members, it is my honour and privilege to extend my heartfelt appreciation to you all, and to honour this invitation where I am presenting the IDP and Budget of Letsemeng Local Municipality.

I am delivering the **2022/23 IDP and Budget of Letsemeng Local Municipality** at a time when South Africans celebrated youth day to commemorate the Soweto uprising which took place on **16th June 1976**, where thousands of students were ambushed and killed by the apartheid regime. Since this democratic dispensation youth day has been remembered, commemorated and memorised as a public history and there has been different ways and forms through which **June 16 1976** student uprisings have been commemorated.

I would also like to applaud Free State Province Premier, Honourable Sisi Ntombela who in her recent State of the Province Address (**SOPA**), outlined that and I quote: - "We are eager to transform the Free State to be the growth frontier of the Country post the Covid-19 pandemic when many people lost their jobs, as the pandemic battered an economy that was already on its knees. This is time to change and as government we invited investors to explore the different parts of the Free State to establish successful businesses which will increase the rate of economic growth to create much needed jobs" close quote.

As the Mayor of Letsemeng Local Municipality I heartily welcome the act of solidarity by various stakeholders who attended an initiative of a vigorous and meaningful impact stakeholder community consultation, where we engaged fruitfully on how to enhance working together to build better communities. To mention a few; I would like to applaud farmers, NGO's, SMME's, Business Sectors, Various governmental departments and community members at large who attended these community consultative meetings.

The intended purpose was to solicit meaningful inputs that will impact positively on the municipal developments planning of all communities in Letsemeng. As the municipality we have a responsibility to ensure that we provide quality and affordable services to our communities in a sustainable manner. We have to put in place control systems, policies, administrative and governance structures that will help and ensure that we continue to work hard in realizing service delivery constitutional mandate.

There are projects that were outlined by members of the community and various stakeholders that need the attention of Provincial and National Governments intervention, and I therefore endeavour to engage various MEC's requesting funding assistance to be able to roll-out critical projects outlined by you. We have taken note of the requests from our residents on the development of a Clinic, Police Station and Retail stores in places like Phambilli and Oppermansgronde and these towns remain a priority due to lack of prolonged developments in these places, emanating from the previous historical background.

I have embarked on a weekly Mayoral Campaign program that also needs the support of community members and quite frankly, this campaign secure a meaningful contribution as our localities continue remaining clean all the time.

The successful completion of the Waste Water Sewer plant in Jacobsdal will contribute towards service delivery

The municipality is faced with a number of service delivery challenges that inter-alia include, poor revenue collection, more service delivery needs vis-à-vis the available limited resources, vandalism and theft of municipal electricity cable and other social ills and crime. Even this week communities, businesses were heavily affected by this cable theft where there was electricity interruption which as we know is even exacerbated by the ongoing load shedding

Therefore, this IDP is geared towards addressing all this challenges and we call all community members to work with the municipality to address these matters because all these social ills impact negatively on revenue collection of the municipality reversing all the gains as the municipality is losing money to replace cables and vandalised properties.

Very soon the municipality will embark on a strategic planning session to address the staff establishment in terms of the **Municipal Staff Regulation 2021**, to can be able to fill critical funded positions without bloating the organizational structure. But before securing a date for strategic planning session, the municipality will first fill senior managers' vacant positions of both Director Corporate and Community Services.

To address poor revenue collection base, the municipality will embark on a robust revenue enhancement process and I also urge the public to visit municipal offices more often to enquire about the status of their municipal accounts, and those who qualify as indigents to please come register in the indigent register of the municipality. The municipality aims to improve its level of service provision and sustain it accordingly but we can only be successful in doing this, if the end user pay for services rendered to them.

An average collection rate of **51%** was made for the last **eleven (11)** months of the current financial year. For the financial year 2022/23 we anticipate a collection rate of **70%** and the following amendments will be applied:-

❖ **Tariff increases**

As a requirement from National Treasury, our budget is based on the concept of balanced budget, Municipalities are not supposed to budget for a deficit, in order to mitigate against this issue a funding plan need to be submitted to both National and Provincial Treasury

❖ **Property rates**

Property rates tariffs for other properties will increase by **6%**. Municipality will be implementing a new valuation roll in the next financial year 2022-23 in line with the provisions of Municipal Property rates act.

❖ **Electricity**

Municipality has applied for **7.47%** tariff increase in line with the guidelines as issued by National Energy Regulator of South Africa

❖ **Service charges**

The tariffs for Water, Sanitation and Refuse will increase by an average of **4.8%**.

OVERVIEW OF THE BUDGET

Our total budget for revenue is **R201 million**

The municipality will receive Operating Grants (Equitable share; Municipal Finance Management Grant, Energy Efficiency and Demand-Side Management Grant and Expanded Public Works Program Grant) to the value R90.8 million.

Our total expenditure budget is **R248 million** including non-cash items of **R77 million**. The expenditure allocations are as follows:

- Employee related costs is budgeted at **R73 million**.
- Remuneration of Councillors **R5 million** this is based on the CPI (Consumer price index) as per the budget circular 115 while the municipality is awaiting the upper limits to be provided in the relevant legislation.
- Repairs and maintenance are budgeted at **R5.6 million**.
- Bulk Purchases for water and electricity are budgeted at **R2 million** and **R35 million** respectively

Our total Capital budget is **R57.5 million**, and the following are the identified projects:

- Koffiefontein: Upgrading of existing Waste Disposal Site (MIS:207907) **R3.4 million**
- Koffiefontein/Sonwabile: Upgrading of sports facility (Phase 2) (MIS:249754) **R850 000**
- Luckhoff: Closure of existing solid waste site and construction of a new solid waste facility (MIS:285464) **R5.8 million**
- Petrusburg/Bolokanang: Upgrading of 1.72km access paved road and storm water (MIS:412513) **R6.6 million**
- Replacing Jacobsdal small-bore sewer system with convectional gravity sewers **R1.2 million**
- Koffiefontein and Dithlake bulk water storage (4.9ML Reservoir) **R20 million**
- Electrification of 1000 Households Connections I Bolokanang Ext 7/ Petrusburg **R18.5 million**
- Project Management Unit **R950 950**

NB! In the light of the above, I therefore urge households who can afford to pay to please pay their municipal accounts.

To curb unemployment rate amongst youth, the municipality had entered into a service level agreement with other businesses and government departments to roll-out learnerships programmes for undergraduates and graduates within our towns. Currently there are **four (4)** graduates at the courtesy of Bank-Seta that the municipality is assisting to acquire experiential training for a **one (1)** year period and **six (6)** Financial Interns at the courtesy of Provincial Treasury.

I would also like to encourage students who wish to further their studies at Tertiary Institutions to please submit their applications for admission on time for them to can be able to apply for **NSFAS** and **FUNDZA LUSHAKA** financial assistance. The municipality can only assist indigent students who are from disadvantaged family backgrounds on its tight funding budget for registration assistance at **Koffiefontein Motheo Satellite TVET College**. I also urge students admitted at Tertiary institutions to please consider studying critical and scarce skills courses to can be able to secure employment in various sectors.

I also make calls for the business community to make a serious efforts towards absorbing young people in their numbers in the fight against poverty. The priority is the masses of young people, women and persons living with disability, I want to see them thriving and being successful, to create opportunities and instil a sense of value and responsibilities in them.

The municipality will continue to speed up implementation of the municipal objectives and commitments through the IDP and Budget. Public Participation and consultation will form the cornerstone of the municipal's vision and mission, hence we call all stakeholders joint effort towards improving the lives of our people.

The recent IDP/ Budget stakeholder consultations have allowed us to revive and improve the working relations with all our key stakeholders so that we can all work towards achieving our developmental objectives. Working together with our strategic partners we shall pull all resources in joint initiative to stimulate local economic development (**LED**).

The Economic Development, Planning and Finance directorates have been directed to facilitate the process of soliciting investors and potential Public Private Partnerships (**PPP**) that will make a meaningful impact in our municipality.

Over the next (**five**) **5** years this administration will actively pursue high impact catalytic developmental projects that will not only create employment opportunities but also ensure that our residents participate in ownership and management structures of development initiatives in our areas.

Together with the Council, we have started engagements with the potential investors that will implement high impactful projects.

Some of the catalytic projects includes the following:

Acquisition of the Jacobsdal Winery for possible revival and to explore the development of alternative job creation projects on the property.

- Discussions in this regard have already commenced wherein the municipality has started engagements with the key stakeholders around the project and the provincial government.

- 1. Xhariep Export Programme (XEP) – this includes a number of Public Private Partnership Projects that are coming to our areas, which will mostly rely on infrastructure development on water and land, and this will result in Primary and Secondary agricultural production full value chain industries.
- The municipality has already started engaging the owners and partners of this project wherein we have made a commitment to participate fully in their various compliance applications with the relevant sector departments in our province.

- 2. Establishment of a Brickmaking Factory and Crusher Plant in Koffiefontein
 - An SLP proposed project that is funded by Petra Mine, we have started the engagements with the mine to can handover this project to community within the next 6 Months. The municipality has already identified a suitable site that will accommodate this project.

3. Complete Value Chain Piggery Export Project earmarked for Luckhoff and Petrusburg.
4. Support and Development of Agro Processing initiatives in Oppermansgronde and Petrusburg

Our discussions with these investors focused on the following key focus areas that will bring impactful benefit to our residents:

1. Increasing the Revenue sources for the Municipality
2. Agricultural Expansion (agriculture being the resource in abundance)
3. Transformation and Equitable Share by Black People in the Local Economy of Letsemeng
4. **1(one)** Hectar Agricultural Training site
5. Driver Training programme for High School kids

When all these bear fruits, thousands of jobs will be created in our municipality and key to these is that our residents will be active participants in ownership and management structures of these projects.

We appeal to our residents to safeguard and protect all these initiatives so as to encourage other investors and developers to come into our areas.

Job creation, reducing poverty and fighting crime will continue to form part of the municipality's programmes and we are working hard to succeed in solving major challenges faced by our communities. Together moving Letsemeng forward.

I would like to extend my gratitude to my children who granted me an opportunity to devote time in rolling out this IDP and Budget community engagement throughout all Letsemeng towns, my family and friends who supported me throughout this journey and still continue supporting to date,

A special word of gratitude and appreciation to my Honourable Councillors for their unwavering support, the Municipal Manager for his continued expert advice, Senior Management, Chief Financial Officer and his staff, IDP Staff, my office staff and the entire municipal employees.

Honourable Speaker I hereby present to you the 2022/23 reviewed IDP and Budget for deliberations and recommendations as outlined in the attached agenda

I thank you, baie dankie, kea leboga bagaetsho!