MALUTI-A-PHOFUNG LOCAL MUNICIPALITY





BUDGET SPEECH 2019/2020

STATE OF THE MUNICIPAL ADDRESS AND 8TH TABLING OF THE ANNUAL BUDGET, BUDGET RELATED POLICIES, TARRIFS & IDP FOR THE 2019 & MTREF 2019/20 to 2021/2022

DELIVERED BY THE ACTING MAYOR ON SUNDAY THE 30^{TH} OF JUNE 2019, COUNCIL CHAMBER FOR 12:00

- Honourable Acting Speaker Clr Harry Festus Mdakane
- Your Majesty Morena E Moholo wa Bakwena Morena Moremoholo Mopeli
- Your Majesty Morena E Moholo wa Batlokoa Morena
 Montoedi Mota
- Your Majesty Morena E Moholo wa Makgolokoe Morena
 Paulus Moloi
- Honourable MEC of Cogta Mr Thembeni Nxangisa
- Provincial Chairperson of ANC, the Honourable Mr Sam Mashinini
- Leaders from different political parties with which we have fraternal ties,
- Honourable Executive Mayor of Thabo Mofutsanyana District Municipality, Cllr Malefu Vilakazi

- Executive Mayors, Speakers and Council Whips of any other Municipality present today
- Director General of the Province, Mr Kopung Ralikontsane
- Executive Mayors, Speakers and Council Whips of any other Municipality present today
- Fellow Councillors of Maluti a Phofung Local Municipality as well as Councillors of Municipalities under Thabo Mofutsanyana District Municipality and of other municipalities here present.
- Senior officials from the Provincial Government
- Auditor General Representative
- Administrator assigned to Maluti a Phofung by the Province,
 Mr Moses Moremi and his assistant Mr Amos Goliath
- Acting Municipal Manager Mr Kadimo Masekoane and senior managers of Maluti-a-Phofung
- Representatives of Labour Unions within Maluti a Phofung and its members in SAMWU and IMATU
- Religious and Spiritual Leaders and Healers. All faith based fraternities
- Educational institutions representatives
- Business Leaders
- Non-government agencies and institutions
- All ambassadors of Maluti a Phofung in their different disciplines,
- Members of Media;
- Setjhaba sa Maluti-a-Phofung
- Ladies and Gentlemen
- Le bohle ba lokelwang ke tlhompho

"Something is rotten in the state of Denmark"

Ho rialo **Hamlet** ha a bona maemo a hlobaetsang motseng wa habo. Hang o elellwa boikarabelo bo mahetleng a hae ho lokisa maemo ana;

"The time is out of joint—O cursèd spite, That ever I was born to set it right,"

May I perhaps, **Mr Acting Speaker**, be permitted to take the tide at the flood and thank Councillors of Maluti a Phofung for entrusting me with this mammoth task of tabling this budget.

Mr Acting Speaker

The tabling of this budget takes place at one of the most crucial times in our national history on the day we conclude the youth month.

It is against this background that we pay tribute to the heroes, heroines and noble martyrs who sacrificed their lives and future to bring our liberation struggle to this historic moment.

It is unfortunate that their lives were not spared long enough to enjoy the fruits of liberation they fought for, for so long. Honourable Acting Speaker, this budget speech is tabled a few weeks after the successful sixth General Elections of the democratic South Africa. On the **08th of May 2019** people of South Africa went out in their numbers to exercise their rights and give a mandate to the leaders of this country.

The renewed mandate given to the ruling party under the leadership of President Ramaphosa is instructive. In his 2019 State of the Nation Address, our President set out an ambitious agenda for our nation.

It is an Agenda that speaks to South Africa that we can be. It is a task list for all of us. It lays out a series of interventions that will put South Africa on a bold new path towards sustainable development to rekindle hope and restore the confidence of all South Africans in their government.

All of us as South Africans should face up to the challenges and difficulties that lie ahead. The task of building a better South Africa which is our collective responsibility as a nation; as the people of South Africa and the communities of Maluti-a-Phofung. It is at the centre of the work of every department of government; of every agency; of every public entity - including a municipality.

Honourable Acting Speaker

The Honourable President, in his quest to better the lives of our people, has outlined government tasks, of which some are more relevant to us as a municipality, namely:

- Accelerate inclusive economic growth and create jobs;
- Improve the conditions of life for all South Africans, especially the poor;
- Fight corruption; and
- Strengthen the capacity and capability of the state to address the needs of the people.

Honourable Councillors, our people have made it clear during the IDP Roadshows that they want a municipality that will rise to service delivery challenges and provided of quality services as enshrined in our Constitution.

We are therefore taking this opportunity to use our fiscal mandate to redirect the financial appropriation responsibility towards such objectives as stipulated in our strategic document which is IDP.

Honourable Acting Speaker

Enjoined by the Constitution of the Republic of South Africa and attendant policy and legislative frameworks underscoring the involvement of communities in municipal core processes such as planning, monitoring and budgeting, the communities of Maluti-a-Phofung were involved in the above mentioned municipal core processes during the months of **January**, **February and June 2019**.

The public participation processes were not as extensive, inclusive and robust as planned in the municipal IDP and Budget process plan as a result of non-existing governance structures particularly, the troika since **December 2018**, when the African National Congress expelled **sixteen (16)** of its Councillors that yielded a negative knock-on effect on the operations of this Council.

Honourable Acting Speaker

The mentioned public participation process indicated that a common thread running through these communities and identified development priorities as:

- Upgrading of roads and storm-water highlighted by all the 35 wards;
- Upgrading of electricity network raised by all 35 wards;
- Provision of additional transformers due to informal renting of rooms and informal settlement by 24 wards;
- Provision of water services affecting 24 wards; and
- Provision of basic sanitation services highlighted by 17 wards.

Honourable Acting Speaker

Our Municipality has been placed under Section 139 (1) (b) Intervention of the Constitution of the Republic of South Africa by the Free State Executive Council due to the **failure of Council to provide robust oversight** over the executive and municipal administration that resulted in the municipal inability to meet its

financial obligations and invariably severely compromised the provision of service delivery.

For us to resolve the manifold challenges manifesting themselves as collapse of the financial and governance systems in the Municipality, persistent service delivery disruptions of water, electricity and refuse removal services, cash flow challenges preventing the Municipality to maintain and sustain its service delivery infrastructure and pay its creditors within the stipulated timeframes of **30 days**, technical insolvency as the municipal liabilities exceed municipal assets by **R700 (seven hundred)** million, these should be acknowledged.

The high unemployment rate of **41.8** % compound these challenges and has a negative knock on effect on the revenue base of the Municipality.

Honourable Madam Speaker

The invocation of **Section 139 (1) (b)** of the Constitution at our Municipality present unique opportunity to harness resources, knowledge system of government to bear on the mentioned challenges that afflict this Municipality.

The support of government and its social agencies would help in ameliorating these challenges and place the Municipality on a sustainable path that would impact positively on the lives of our people. Honourable Acting Speaker, indeed this will be a hard slog that requires collective efforts from all of us.

The budget that I am going to table could be compared to, as **Shakespeare** rightly puts it,

"... a tide in the affairs of men, Which taken at the flood, leads on to fortune. Omitted, all the voyage of their life is bound in shallows and in miseries. On such a full sea are we now afloat. And we must take the current when it serves, or lose our ventures".

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)

Honourable Acting Speaker, allow me to provide a budget summary for the next MTREF period 2019/2020 – 2021/2022.

Honourable Acting Speaker, the projected annual revenue amounts to R1.6 billion for the 2019/2020 financial year, which represents an increase of R108 million which is (7%) more than the approved Annual Budget for 2018/19.

For the **2020/21** and **2021/22** financial years the annual budgeted revenue amounts to **R1.7** billion which represents an increase of **(6%)** and **R1.8** billion which represents an increase of **(6%)** respectively.

The projected revenue from the property rates will be **R189** million for **2019/2020** financial year. The income from this source of revenue is projected at **R200** million and **R212** million respectively for the two outer years.

The projected income to be derived from the sale of electricity is **R367 million** in the **2019/2020** financial year and **R389 million** and **R412 million** respectively for the two outer years.

Revenue from water services charges is projected at **R83 million** in **2019/2020**, a decrease of **1%**, **R105 million** from **2018/19** Adjustment Budget. The outlook for the outer two years of the MTREF period is projected at **R88.2 million** and **R93.4 million** respectively.

Refuse and trade removal services will contribute revenue of **R 41.4 million**, an increase of **6% (R7 million)** from last year, and a further contribution of **R43.9 million**, and **R46.6 million** for **2020/2021** and **2021/2022** respectively.

TARIFFS

The above mentioned revenue will be realized through the approval of the following tariffs which have been factored into our income and expenditure projections for the MTREF period:

- There is no proposed increase on the Property Rates tariffs for 2019/2020 financial year because the new valuation roll that was implemented as from the 1st of July 2015 is still applicable,
- Sewerage tariffs to be increased by 6% for both residential and non-residential properties.
- Water tariffs to be increased by 6%.
- Electricity tariffs will be increased by 15.63% (on average) for the 2019/2020 financial year,
- Refuse removal services tariffs will be increased by 6%;
- Sanitation services tariffs will be increased by 6%;
- Community services tariffs will be increased by more than 6% due to the need to align tariffs of digging of graves to be the same in all cemeteries;
- Advertising tariffs will be increased by 6%;
- Other general tariffs will be increased by an average of
 6% with effect from the 1st of July 2019;

Honourable Acting Speaker, with the assistance of Provincial and National Treasury, the Municipality will embark on an extensive exercise of determining the cost-effectiveness of these tariffs that the Municipality has levied for municipal services in the past years to prepare for 2020/2021 FY.

Honourable Acting Speaker

Our registered indigents will continue to benefit from the Municipality social package that includes:

- 100% rebate on rates and taxes
- **50 kilo watts** per hour (kWh) of free electricity
- **6 kilo-litres** of free water
- Free Refuse removal and Free sanitation services

OPERATING EXPENDITURE BUDGET

The total consolidated **operating expenditure** is projected at **R3.488 billion** in the **2019/2020** representing an increase of projected operating expenditure of **R1.045 billion (43%)** on the **2018/2019** adjusted budget of **R2.443 billion**. The allocation for the outer year is **R3.705 billion** and **R3.903 billion** respectively.

The main items of the operating expenditure budget are, bulk purchases, employee related costs, depreciation, debt impairment and debt relief.

Honourable Acting Speaker, the budget for salaries and wages will increase from R516 million to R537 million representing a growth of 4% (R21 million). The indicative allocations for the two outer years of the MTREF period are R576 million and R608 million respectively.

The Municipality engagements with organised labour on the reviewed organisational structure has not borne fruit, we are hoping that in the new financial year the mentioned impasse will be resolved and the corresponding determination of critical vacancies and consequently filling of those vacancies will be concluded as expeditiously as possible to evolve a "fit for purpose organisation" that is capable of providing effective services to our community.

Bulk purchases for electricity will increase from **R713 million** to **R982 million** representing a growth of **38%** (**R269 million**). The allocation for the two outer years of the MTREF is **R1.041 billion** and **R1.102 billion** respectively. Bulk purchases for electricity take up approximately **28%** of the operating budget for **2019/2020** Financial Year.

On repairs and maintenance, the Municipality will spend R86 million in **2019/2020** financial year which represent **2%** of the total expenditure budget for **2019/2020**. The allocation for the two years of the MTREF is **R91.2** million and **R96.6** million respectively.

Honourable Acting Speaker

Let me hasten to mention that the Municipality is under-investing in the maintenance of infrastructure, as R86 million budgeted for the coming financial year represent 2% of our total operating expenditure and is therefore 6% less than the recommended threshold of 8% for repairs and maintenance as set by National Treasury.

We will be expending all efforts in ensuring that our people pay for services that they are receiving so that we can progressively improve our services, increase our investment in repairs and maintenance to extend the lifespan of our service delivery infrastructure assets and attendant utilities.

However, our people need to meet us half-way in discharging their social responsibilities of paying for services and partner and advise the Municipality in its efforts of providing effective and efficient service.

CAPITAL INVESTMENT

Esteemed Acting Speaker

The total **capital budget** of the Municipality for **2019/2020** is set at **R229.7 million** and this represent an increase of **7% (R15 million)** from the **2018/2019** budget.

The elected leadership will be providing robust oversight in ensuring that the allocated monies are used for intended purposes and there will be consequences in instances where there are abuse of these resources that should be making the lives of our people better. We need a very strong Leadership independent of political and external influence. Fearless voice, a voice which speaks with honestly and integrity. We need leader who have the political will to govern.

We need officials who will work. My message to all officials. There will be consequence management in instances of non performance. Bear fruit so as not to be cut down. It is either you **SHAPE UP OR SHIP OUT.**

The capital budget for the two outer years of the MTREF period has been set at **R263.5 million** and **R248.4 million** respectively.

The total **projected investments** in the Municipal economy over the MTREF period will thus be **R741.7 million**. The capital budget is funded from capital grants, that is; **Municipal Infrastructure Grant (MIG), Integrated Electrification Programme (INEG)** and the **Water Services Infrastructure Grant (WSIG)**.

INFRASTRUCTURE DEVELOPMENT

Honourable Acting Speaker

Consistent with the vision of Government as outlined in the **National Development Plan Vision 2030** of using infrastructure development to ignite development in our localities and extend municipal services to our communities, the Municipality is a fervent believer in the potential of infrastructure development to grow the local economy and thus provide employment opportunities to our communities.

The Municipality has been entrusted with a **Special Economic**

Zone (SEZ) status and will be complemented by the Harrismith Logistic Hub in igniting economic development by forging strategic partnerships with government and the private sector.

We will be actively participating in the governance structures of the SEZ particularly the board in laying a solid foundation for our co-operation and collaboration to facilitate the development in our municipality and the district of Thabo Mofutsanyane District.

The IDZ will lead to a more skilled population. More high quality jobs, eradication of poverty, unemployment and inequality. The Establishment of IDZ will enhance our municipality's role in SA development landscape. More innovative and value added products will be produced here and find their way to global market.

The SEZ will:

- Generate Foreign Exchange earning
- Create employment
- Attract foreign capital and advanced economy
- Promote investment from domestic and foreign sources
- Development of infrastructure facilities

Honourable Acting Speaker

In creating job opportunities in the next financial year (2019/2020) the following key project within the ambit of SEZ will be implemented:

- Establishment of Pork Abbatoir with capital outlay of R400 million that will contribute towards the creation of sustainable jobs;
- Establishment of a beef Abbatoir with an investment of R150 million;
- Establishment of Kevali Chemicals for manufacturing of chemicals, cleaning materials with an investment of R200 million

Honourable Acting Speaker

In partnership with Local Government Sector Education and Training Authority (LG SETA), we will continue with the learnership of training over hundred (100) young people in Plumbing, Welding, Motor Mechanics with a generous investment of R13.5 million made by the LGSETA. These young people have completed theory and practical and are only left in completing the trade test hence the extension of their contract by LGSETA.

Honourable Acting Speaker

The Department of Trade and Industry (DTI) has investment **R33 million** in revitalising and refurbishing the Qwaqwa Industrial Park by erecting **8 km** perimeter fence, fixing of high mast lights and installation of CCTV cameras to secure the area and thereby attract prospective investors.

Acting Honourable Speaker

Let me take this opportunity to acknowledge the support that the municipality has received from its sister **Department of Environmental Affairs, Fisheries and Forestry (DEFF)** for the implementation of a number of strategic projects in the municipality. Chief amongst these were the following:

- A new landfill site established at Qwaqwa, ward 34 where additional resources are being leveraged to implement phase 2 that will entail the construction of outstanding landfill cells, recycling facility (buy-back center), compost facility and the upgrading of access road, the ring road and the attendant storm-water drainage system
- Construction of a 7 km pavement leading to Sentinel Peak and parking area and R40 million investment has been secured from the Department
- Refurbishment of existing recreational park, eradication of illegal dumps and conversion into functional area at Harrismith (Wilge Park) to benefit the community and lay a basis for social cohesion amongst the community of Wilge Park

Acting Honourable Speaker

The Department of Environmental Affairs, Fisheries and Forestry has seconded an Environmental Officer for the period of **3 years, 22 Environmental Buddies** from Youth Job in Waste and Youth Environmental Services will be recruited to eradicate illegal

dumps, provide environmental education, awareness and conduct cleaning campaigns within our municipality

Last year we reported that we have received the grant funding of R10 million from the Department of Co-operative Governance and Traditional Affairs (COGTA), to develop a number of critical infrastructure master plans and development strategies such as road and storm-water, water services, water conservation and demand management strategy, rural development that are critical in anchoring the anticipated development in our municipalities.

These sectors plans have been developed with the aforesaid financial assistance and have been incorporated in the Reviewed IDP for **2019/2010** FY that is serving before this eminent house for deliberation and consequent approval. Chief amongst these sector plans are the following:

- Municipal Human Settlement Sector Plan;
- Roads and Storm-water Master Plan;
- Water Conservation Demand and Management Strategy; and
- Municipal Infrastructure Standard Policy

These master plans and development strategies will enhance the infrastructure development, help to sustain the SEZ and coordinate other developments within the Municipality.

The Municipality has requested financial assistance from the Department of Cooperative Governance in conducting an electricity network audit that will reveal the challenges afflicting

the electricity supply network and what has to be done in ameliorating these challenges.

Acting Speaker, we will be replacing **2000** Large Powers in partnership with Eskom and this has begun in earnest and the meter replacement programme will be rammed up in the next couple of months.

These replacements of these meters will be one of the critical step and milestone in the development of the Electricity Master Plan for the municipality

The Council approved the master plans for the upgrade of Maluti Crescent Mall to the tune of R370 (three hundred and seventy) million by Vukile Property Fund has been completed and launched on the 21st of March 2019. Employment opportunities have been provided to three hundred (300) people from our community.

We call upon those investors that have the capacity to invest in the local economy to do so.

WATER SECURITY

The Municipality continues to provide water services to more than **82.8% (91 698)** of formal households as confirmed by the Community Survey 2016 conducted by Statistics South Africa (STATSSA)

We will have to ensure that all communities have security of water supply.

At Phuthaditjhaba, the Municipality has provided water services to **6847 ervens** with a capital outlay of **R66.6 million**. These water services projects have been completed and an approximately **27**, **388** community members are benefitting and accessing water services.

Acting Speaker, the municipality is on course in implementing the "Intabazwe: Rectification of water supply pipeline" euphemistically called the "Nestle Pipeline": as Nestle South Africa has made a contribution towards the planning and designing of the pipeline.

The project is **55%** complete and when completed will ensure the reliable provision of water supply to the industrial area of Harrismith. This partnership model should be fortified and be used in entering in any partnership models in relation to other municipal services.

Honourable Acting Speaker, the Municipality will be investing **R312 million** over the MTREF period in providing the following water services.

- Continue Upgrading of Kestell Bulk Line to ensure the provision of water services to the residents of Kestell with the investment of R110 million
- Construction of Internal Water Reticulation at Intabazwe Extension 3 for 1370 ervens with R38.8 million

- Upgrading of 3 million litres Matebeleng Reservoir with R13 million;
- Construction of 4 million litres Wilge Reservoir with R25.5 million
- Provision of water services to 500 stands at Chris Hani with R17 million;
- Upgrading of Thaba Bosiu Water Pipeline to benefit the communities of ward 19 with capital investment of R29.8 million
- Construction of 4 million litres in Qholaqwe to benefit the communities of ward 24 with the investment of R11.4 million in 2021/2022 financial year;
- The upgrading of water pump stations in wards 9, 11, 12, 14, 16, 19, 21, 25, 27, 29, 34 and 35 with an investment of R23 million over the MTREF period.

Acting Speaker I am delighted to announce that the former Minsters of Co-operative Governance and Traditional Affairs and Water and Sanitation, Dr Zweli Mkhize and Gugile Nkwinti have, during their ministerial visit to our municipality, pledged an additional investment of R26 million to implement a number of critical water projects to enhance security of water supply to our community. Importantly, these projects will be implemented by the Sedibeng Water as an implementing agents of these ministries and that of the Ministerial Task Team

Honourable Acting Speaker

The Municipality is aware of the need to finalise the boreholes project at Kestel/ Thiolong to ensure the provision of water services to the community of Extension 5 at Thiolong.

Honourable Acting Speaker, the Sedibeng Water on the behalf of the municipality and its citizens will be expanding the capacity of the Sterkfontein Water Treatment Work with a further 10 million litres to upgrade the plant to 20 megalitres capacity

SANITATION

The Municipality is of a firm belief that sanitation is at the heart of human dignity and central to the creation of conditions that are consistent with our determination to provide decent sanitation. It is thus with a view to restore the dignity and humanity of our community that the Municipality has made investment in providing decent sanitation services.

At Khotsong, **733 ervens** benefiting **2 932** citizens were connected to basic sanitation services and **21** employment opportunies were created during the construction of that projects.

Acting speaker, it is encouraging to announce that the two basic sanitation projects to connecting **1209 ervens** to sewer network at

Thabong and connecting **2367 stands** at Bluegumbosch are at **85%** completion rate and will be completed in the first quarter of the new financial year **(2019/2020)**. When completed these projects will benefit an approximately **14 304** members of our community.

Acting Speaker, the municipality has completed the construction of sewer outfall and rising main at Harrismith / Intabazwe Extension 3 to benefit 7 703 (seven thousand seven hundred and three) households of ward 3 to the tune of R6.1 million;

Honourable Acting Speaker, the Municipality will be investing R146 million in the MTREF period for upgrading bulk sewer infrastructure and sewer reticulation services:

- Construction of Waterborne Sewer Network at Intabazwe
- Extension 3, to connect 1020 ervens with R28.5 million;
- Construction of Waterborne Sewer Network at Namahadi
 (Harankopane), to connect 904 ervens with R21.1 million;
- Construction of Waterborne Sewer Network at Namahadi
 (Phase 2, to connect 400 ervens with R17.4 million;
- Construction of VIP toilets to benefit the communities of wards 21, 23 & 25 with an investment of R32.8 million
- Construction of VIP toilets to benefit communities with an investment of R17.4 million

 Refurbishment of sewer pump-stations to benefit communities of ward 7,13,15,17,19,21,23,24,26,27,29, 30,32,33 and 34 with R26.6 million

TRANSPORT, ROADS AND STORM-WATER

Honourable Acting Speaker

The upgrading of roads and storm-water is critical for the overall development of the Municipality. The demand for **access roads** in rural areas and to places such as the cemeteries and clinics in the Municipality has been at the apex of the community development priorities for quiet some time. We are addressing these backlogs as to keep interest of tourism to bring the much needed economic support for the locals.

To this end, in this financial year the Municipality has made significant investment in upgrading roads and storm-water and taxi facilities.

Intabazwe Paved Road Phase 2 is **100%** complete with a capital outlay of **R20 million** to benefit **4 215** community members and **15** employment opportunities have been created.

Furthermore, Tshiame Paved Roads Phase 2B is nearing completion with an investment of **R29.2 million** to benefit **33 300** communities and **118** employment opportunities have been created.

The Municipality has invested **R79.7 million** in construction of the new taxi facilities at Harrismith/Tshiame B; Phuthaditjhaba and Intabazwe.

Acting speaker, the Intabazwe New Commuter Infrastructure Facility has been completed and **77 labourers** are on site dealing with the snag list and **13 066** communities will benefit from the project.

The other Commuter Infrastructure Facilities Projects are being implemented and on average are at **57.3%** complete and will be completed during course of this financial year **(2019/2020)**.

Acting Speaker, it is encouraging to note that **91 109** communities will benefit from these developments and **176** employment opportunities have been created.

The Municipality will be investing **R109.6 million** in the MTREF period in upgrading the following roads and storm-water projects and developing commuter infrastructure facilities:

- Paving of Intabazwe Phase 3 with R14.1 million in 2021/2022 FY;
- Continue construction of a 5km paved road at Namahadi with R3.5 million to construct an additional 0.4 km;
- Construction of 4.5km paved road at Tshiame B with capital outlay of R24.1 million
- Upgrading of Motebang road with R22.3 million;

- Construction of foot-bridges at Monontsha to benefit the communities of wards 11 and 12 with R8.1 million in 2021/2022 FY
- Continue the construction of Intabazwe Harrismith New Commuter with R12.2 million
- Continue with the construction of Phuthaditjhaba/Qwaqwa
 New Taxi Facility with R4.4 million to complete Phase 1
- Continue the construction of Kestel/Tholong New Taxi Facility with R8.7 million
 - Upgrading of Phuthaditjhaba Town Hall with a capital outlay of R7.9 million in 2021/2022 FY

ELECTRICITY SERVICES

In the Municipality 93.16% (103,113) of households have access to electricity services. However, the Municipality is encountering a persistent challenge of owing Eskom R3.9 billion due technical losses occasioned by decaying and ageing electricity infrastructure and widespread by-passing and stealing of electricity by our own communities.

The Municipality has installed more than **60 transformers** with an investment of **R10 million** to ensure that communities have access to electricity services.

Honourable Acting Speaker

Electricity challenges seem insurmountable. There is an alarming rate of cable theft and tampering. Lately extensive vandalisation of the SS6, SS1, Tsheseng and Riverside substations was

experienced. These dastardly acts have exerted inordinate load on **Qwaqwa 132 and Makabelane sub-station** and this have invariably compelled load shedding by the municipality in managing the load and avoiding damaging these sub-stations.

The continued- tampering and mismanagement of electricity resources by communities will hamper our efforts of providing effective electricity services.

Communities need to work with us and the police in ensuring that these economic saboteurs are arrested and brought to book. We have deployed our security personnel and enlisted private security firms at a great cost in manning and securing our electricity and water services infrastructure.

Concerns to re-open the electricity purchase point in Harrismith are being attended to. The Municipality has purchased **twenty** (20) **vending stations** equipment and will roll out these electricity vending stations in the next two months.

Robberies taking place at vending station are also concerning and culprits must be treated as harshly as those arrested in the cash in transit robberies taking place across South Africa.

We are appealing to our communities to buy-electricity and desist from by-passing, tampering with meters and stealing electricity and damaging community infrastructure mainly roads as these acts frustrate the efforts of the Municipality in restoring and providing reliable electricity services. **Acting Speaker**, I am pleased to announce that the municipality has succeeded in completing three electrification projects that benefited **759** households translating into **3,036** community members. These were:

- Kgabisi, Makwane Phase 1, where 333 households were connected to electricity with an investment of R5 million;
- Kgabisi, Makwane Phase 2, where 226 households were connected to electricity with an investment of R3.5 million; Kgabisi Makwane, Phase 1
- Tshiame D, where 200 households were connected to electricity with an investment of R3.1 million;

Acting Speaker, in partnership with Messrs Centlec, a municipal entity of Mangaung Metropolitan Council, extensive progress have been made in electrifying **226** households at Schoonplaatz. We anticipate to complete this project during the 1st quarter of the new Financial Year – **2019/2020**.

Acting Honourable Speaker

The Municipality will invest **R104.6 million** in implementing the following key projects over the MTREF period and these projects include the following:

 Construction of 132kV feeder line and construction of a new Elizabeth Ross sub-station with a capital investment of R92,6 million; The Municipality will invest R12 million this financial year to installing high mast lights in all the wards.

COMMUNITY INFRASTRUCTURE

The Municipality has invested **R23.5 million** in upgrading community facilities. Bluegumbosch and Intabazwe New Indoor Sports and Recreation are **100%** and **86%** complete respectively, **64 995** communities will benefit from accessing these amenities and this will lay a solid foundation for social cohesion in our communities.

Acting Speaker, 195 employment opportunities have been created in implementing these social amenities projects.

- Upgrading of Platberg Stadium Phase 1 with R4.3 million in 2021/2022 FY
- Continue with the upgrading of Recreational Sport Facilities at Intabazwe Stadium with R8.0 million;
- Refurbishment of Charles Mopeli Stadium Phase 1 with R10.9 million;

As I reach the conclusion, I wish to share the vision of a wise man named **Arthur Burt** who once said I quote:

"Nothing happens until the pain of remaining the same outweighs the pain of change"

We hope the change that will come with the intended budget composition will bring the much needed light and hope for the community of Maluti a Phofung.

Accordingly, I, at this point in time officially declare before this august house the **2019/2020 – 2021/2022** MTREF budget, Budget Related Policies, Tariffs as well as the **2019/2020** IDP tabled for consideration and approval with the recommendations as highlighted in page **9** to **10** of the Budget Pack.

'Letlama qhanolla dipere di fule, Ntwa boholo ke ya hosasa'

Roughly Translated;

'Letlama, off saddle the horses to graze,

The main battle is tomorrow'.

HA HOBE JWALO!!