

THE STATE OF MUNICIPAL ADDRESS 2020/2021

**Presented by: His worship, the Honourable Mayor
Councillor Masilo Edward Paya**

Date : 26 JUNE 2020
**Venue : VIRTUAL (live coverage in Mohodi FM, Moletji FM,
Botlokwa FM, Sekgosese FM and Facebook)**
Time : 13H00

Molemole Municipality

Hi Grace, the Reverend Dr. B.E Lekganyane

Baruti ka moka go tswa di kerekeng tsa go fapana;

Madam Speaker, Cllr Moreroa;

Chief Whip, Honourable Councillor Rathaha;

Members of the Executive Committee;

Our honourable Ward and PR Councillors;

Municipal Manager – Mr. Maphala Mosena;

Senior Managers, Managers and Officials from our municipality;

Magoshi a rena a hlomphegang:

Moshate wa Machaka the host of this event

Moshate wa Makgato; Moshate wa Ramokgopa

Moshate wa Ratsaka; Moshate wa Manthata

Moshate wa Moloto

Ward Committee members;

Our sister municipality, the Capricorn District Municipality;

Our Sector departments, public entities and chapter nine institutions

The broader national democratic revolution;

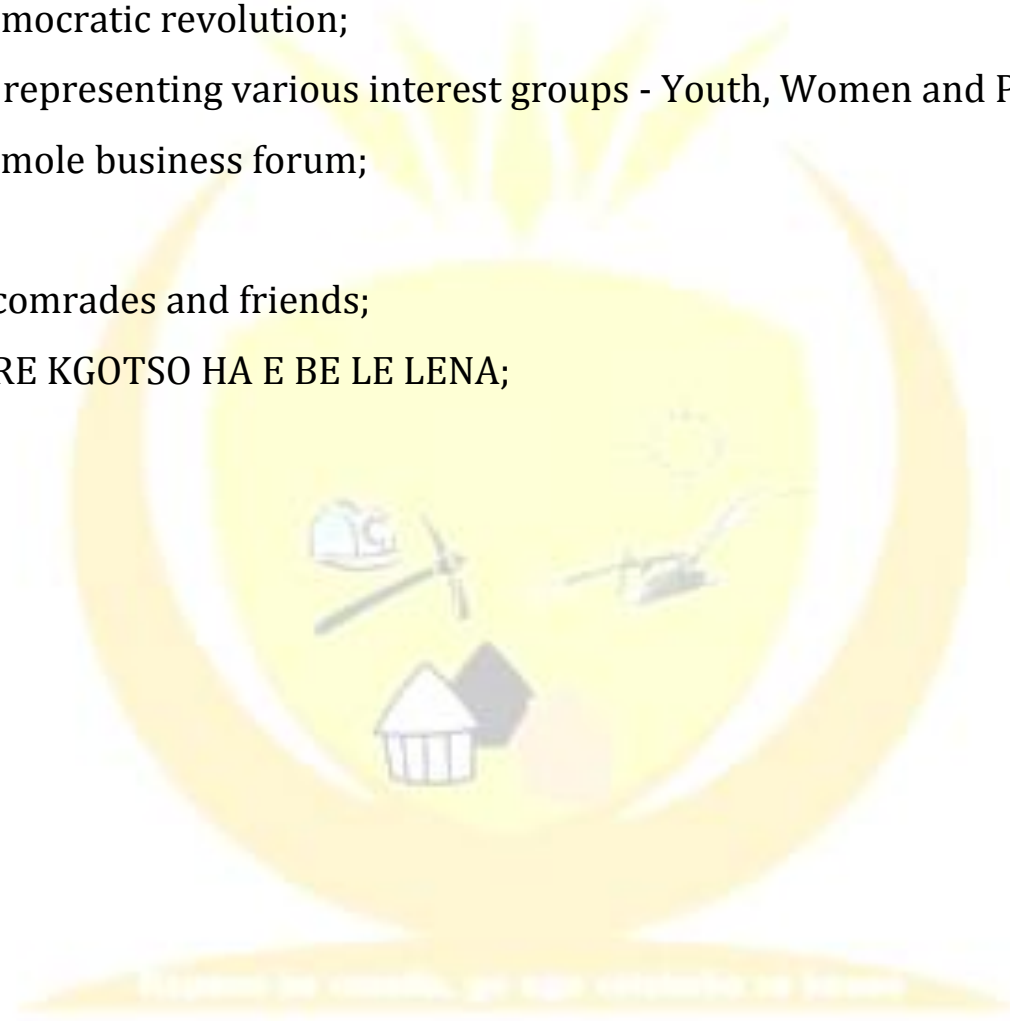
Civil Society formations representing various interest groups - Youth, Women and People with Disability;

Representatives of Molemole business forum;

Taxi Associations;

Members of the media; comrades and friends;

Setshaba ka moka; KE RE KGOTSO HA E BE LE LENA;



Molemole Municipality

Welcome Remarks

We are in our 3rd month of the National Lock down since the President of South Africa declared the state of National Disaster and imposed the national lockdown from the 26th March 2020;

On behalf of the population of Molemole allow me to pay our warmest tribute to all the healthcare staff across the globe who sacrificed their lives and are continuing to be in the frontline to help fight the spread of the pandemic.

The preparation of the budget for the 2020/2021 MTREF was done in the midst of COVID-19 pandemic which has resulted in minimal economic activity;

It goes without saying that municipalities like Molemole will feel the impact of this pandemic in the months to come, more especially in relation to the ability to realize our revenue collection targets for sustainable provision of services;

It is also critical to note that this pandemic is going to change many aspects of our operations;

You will recall that each financial year we conduct public consultations on the draft IDP and Budget in all the four clusters of the municipality – covering Ward 1 to Ward 16;

We however acknowledge that the review of the IDP should be integrated and should be representative of the views of the people;

To make up for our inability to convene public meetings we have used alternative channels to engage the public on the draft IDP and Budget. These channels are as follows:

1. A virtual meeting was convened by the Mayor and his Executive on the 17th June 2020 with traditional authorities within the municipal jurisdiction.

I want to thank Magoshi for making themselves available and indeed their participation.

We value your inputs and have indeed considered them during the finalization of this IDP;

2. On the 28th of May 2020 I, the Mayor of Molemole Municipality presented the draft 2020/2021 IDP and Budget in four of our community Radio stations: Mohodi, Moletji, Botlokwa and Sekgosese FM.

Listeners were given an opportunity to call in and comment on the draft. We thank you very much for your participation.

3. The draft IDP and Budget was publicised in the Municipal website and the public were encouraged to make their inputs via social media (that is Facebook and Twitter), our email address and through delivery to Municipal Offices. The draft copies were also shared with Magoshi and all the Ward Committees. The public had between 11 May to 01st June 2020 to make inputs and comments to the draft;

4. The Municipal Public Accounts Committee has conducted public hearings on the 2018/19 Annual Report from the 10th to the 13th March 2020. You will appreciate that the Annual report serves as an important reference point when planning for next IDP.
5. An IDP representative Forum was held on the 04th March 2020, bringing together representatives from Magoshi, Civil society formations, Sector departments, Ward Councillors and Senior Managers, as well as Ward Committees to get feedback on the adjustment budget and kick starting the projects phase of the IDP Process Plan;
6. During February of this year we have visited each of the 16 wards within the Municipality to conduct community feedback sessions as part our thuma mina campaign!

I want to thank the community of Molemole for their support and participation in all the various channels used to engage them on the review of the IDP;

As the elected Council of this Municipality we have indeed considered your views and comments during the finalization of the IDP document to make it a truly integrated service delivery blueprint for the coming Medium Term Revenue and Expenditure framework;

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2020/2021 MTREF BUDGET SUMMARY

Let me hasten to express our appreciation to the national treasury for allocating R 358 000 to the municipality to help with measures to prevent the spread of COVID-19 and to make our premises to be COVID-19 ready;

The National Budget statement was presented amid a bleak economic outlook for the medium term. This was exacerbated by the outbreak of COVID-19 pandemic. Job opportunities will be lost and indeed we acknowledge that this will have trickle-down effect and put some burden on the ratepayers.

The MIG allocation for this financial year has been adjusted by 4.6% or an increase of R 1.5 million for the 2020/21 financial year.

Our equitable share has increased by 5.8% in the 2020/2021, 6% in the 2021/2022 and 4.5% in 2022/2023 financial year.

It is therefore only plausible to report that hard decisions have to be made during the finalization of the budget; The total income for the 2020/2021 financial year is R 285.8 million and it will increase to 307.8 million by 2022/2023 financial year;

The income is composed of the following:

- Total Grants of R 205.7 million, up from R 181.2 million in 2019/20 financial year;

- Own revenue of R 80 million in 2020/2021 which has increased from R 79.2 million in the 2019/20 financial year.

The total operating expenditure for the 2020/2021 is expected to be R 224.2 million, which is up from R 205.7 million or 8.9% from 2019/20 financial year;

The estimated capital expenditure for the 2019/20 financial year is R 61.5 million, 73% comprising of grants;

The capital budget is derived from the following grants:

- R33.1 million is for 2020/ 2021 MIG allocation
- R3 million for Energy Efficiency Demand Side Management Grant Programme
- R 13 million for Integrated National Electrification Programme

The remaining amount of R 16.4 is derived from Own Generated Revenue;

The ratio of Operating to Capital expenditure of 78:22 is something we intend to improve in the 2020/2021 MTREF period;

The total estimated budget to cover employee related cost constitutes 43.7% of the operating expenditure;

We have however started with the process of managing the municipal organizational structure to put more focus on efficiency of operations rather than quantity of warm bodies. This are tough economic times and indeed we have to implement drastic measures!

Ladies and gentlemen,

I have already alluded that we are in tough economic times and as government we need to come with measures to cushion the socio-economic effects of corona virus on the vulnerables within our society;

To this end we have allocated R 5 million in the 2020/2021 financial year to cover the cost of providing free basic services to the qualifying residents.

This amount will increase to R 5.3 million and R 5.8 million in the 2021/2022 and 2022/2023 financial years; An increase of 4.5% has been approved for the property rates and refuse removal in the 2020/2021 financial year;

Electricity tariffs as approved by NERSA will increase by 8.1% in 2020/2021 before decreasing by 5.2% in the 2021/2022 financial year;

We will continue with our implementation of cost containment initiatives to reduce the operational expenditure items in order to channel more funds to capital expenditure, to directly impacts the lives of our people;

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I will now move to the Service delivery programme of the municipality over the medium term:

SPATIAL RATIONALE

Spatial development framework is the critical base for the Integrated Development Plan;

The municipality adopted a 5 year Spatial Development Framework in 2019;

Let me quickly mention that the reason for adopting the SDF in the middle of this Council term is because we wanted to ensure it is SPLUMA Compliant;

The SDF Identified projects that will unlock economic activities within and beyond the Municipal jurisdiction;

We have been continuing with our spatial awareness campaign especially with our traditional authorities as much of the development should take place within their areas;

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The municipality has implemented the following projects in 2019/20 as part of implementation of the Spatial Development framework to guide the Integrated Development Planning;

Project name	Project Cost
Survey of existing settlement	420,000
Development of Land use scheme	923,000
Development of Precinct Plan	485,000
Demarcation of 230 sites	493,000

The compilation of Precinct Plan will continue in the coming financial year, with an allocation of R 500,000; Furthermore, 270 additional sites will be implemented in the 2020 financial year. We have made provision of R 540, 000 in the coming financial year to achieve that; R 2.1 million has been set aside over the medium term for the survey of existing settlements;

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BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

a. Roads and Storm water infrastructure

You will recall that in 2018/19 financial year we made a commitment to finalize all the long outstanding road infrastructure projects;

We made this commitment because we wanted to move on to other areas and implement road infrastructure projects there;

A total MIG amount of R 12.2 million has been allocated to upgrade 1.5 kilometre of road in Nthabiseng internal street – this is the final scope of work on this project;

A further R 14.1 million is allocated to upgrade 2 km of road in Capricorn Park Internal Street – Also the final scope of work;

2.1km of road from Kgwadu to Botlokwa Primary School from Gravel to Surface Phase will be upgraded in the 2020/2021 and 2021/2022 financial year;

R 6.7 million has been allocated in the 2020/2021 financial year and R 11 million allocated in the 2021/2022 financial year to implement the full scope;

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b. New MIG Road Projects

In the 2019/20 financial year we managed to conduct a feasibility study for road infrastructure projects in both the eastern and western sides of our municipality;

The reports from this studies gave us an idea of the estimated costs of road infrastructure projects in those villages identified as having backlogs;

As a result funding have been allocated to upgrade the following road infrastructure in the 2021/2022 and 2022/2023 financial years:

PROJECT DESCRIPTION	2021/2022	2022/2023
2km Upgrading of Marowe Internal Street from Gravel to Surface.	2 million	6 million
2km Upgrading of Phaudi Internal Street from Gravel to Surface.	2 million	6 million
2km Upgrading of Ga-Sako Park Internal Street from Gravel to Surface.	2 million	6 million
1km Upgrading of Mogwadi Internal Street from Gravel to Surface Phase 1	4.8 million	8 million
Upgrading of Mokgehle Internal Street from Gravel to Surface.	12.1 million	7 million
Upgrading of Maupye Park Internal Street from Gravel to Surface.	12.2 million	6 million
Upgrading of Broekman Park Internal Street from Gravel to Surface.	2.5 million	6 million

c. Prioritized Road Projects by RAL

Despite having prioritized some of our roads for upgrading we can sadly report that we have not received a definite time period for implementation of those prioritized road projects by RAL;

We shall continue with our engagements to ensure we secure exact implementation date for upgrading of these roads;

d. Road and Storm water Plant and equipment

We have been reporting in the previous financial years that we are unable to implement our regravelling programme due to persistent breakdowns of our plant and equipment;

Two tipper trucks have been purchased in the 2019/20 financial years to help with maintenance of our 603 kilometers of gravel roads;

We have made provision of R 2.4 million in the 2020/2021 to lease plant and equipment instead of outright purchase. This will include leasing of Graders, Skip Loader Trucks and other equipment necessary to help us provide basic service delivery to our people;

A further R 2 million has been allocated for repair and maintenance of the current fleet owned by the municipality;

We hope that this initiative will ensure there is continuous availability of plant and equipment for maintaining our roads;

About R 2.2 million was allocated for the construction of Culverts in the 2019/20 financial year;

This project was not implemented due to National Lock down regulations imposed to curb the spread of Corona Virus pandemic;

A total R 2.4 million has been allocated in the 2020/2021 and 2021/2022 financial year to construct 20x culverts across the municipality;

e. Sport facilities

R 3 million has been allocated for final completion of Mohodi Sports Complex. The money will be used to install 1 500 remaining grandstand and to finalize outstanding works on the complex. Currently a service provider has been appointed to install 500 grandstands. We hope to hand over the stadium in the second quarter of the financial year;

f. Electrification projects

Our electricity losses has increased from just above 10% to 15% in rand terms and from 22% to 27% in unit terms; Much of this loss is caused by illegal connections and theft of infrastructure;

This is one of the challenges that threaten the sustainability of the municipality as we are not recovering the cost of buying electricity we sell to the community;

To reduce these losses we have made provision of R 3 million to install smart meters in both Mogwadi and Morebeng over the medium term;

R 22 million has been allocated for the electrification of Fatima RDP settlement - over 1000 households will be electrified over the three year period. We thank the department of Energy for the grant allocation to provide basic electricity in the area;

A total allocation of R 3 million has been budgeted in the 2019/20 financial year to install six Apollo Lights;

We continue to work with law enforcement agencies to help curb incidents of crime in our communities.

We are happy to report that these high masts have been installed and we hope to have them energised during the course of the next financial year;

We have set aside R 1.7 million in the coming financial year to install 03 more high mast lights;

We will start to install in Skhokho (Ward 07), Springs (Ward 06) and Brilliant (Ward 14) in the coming financial year;

A further R 4.7 million has been allocated in 2021/2022 and 2022/2023 to install 08 high masts;

g. Eskom electrification programme

We are grateful for Eskom for their continued support in reducing electricity backlogs in our villages; 108 households from Rheinland and Westphalia have benefitted from this programme in the 2019/20 financial year;

The project for Kanana was not implemented as there were ownership problems in the area;

This has led to withdrawal of Eskom from Site late last year;

We are busy engaging Eskom to move the project to other areas in order to ensure the money is not forfeited and returned to Treasury;

Furthermore Eskom has planned for the electrification of 160 households in the 2020/2021 financial year. This will benefit villages of Ga-Phago, Phaudi, Sekuruwe, Kolopo and Flora;

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The breakdown of electrification is as follows:

Village	Ward	Total connections planned
Phago	16	15 households
Phaudi	16	50 households
Kolopo-	16	50 households
Sekuruwe	15	25 households
Flora	16	20 households

h. Moletji Cluster Office

I am pleased to report that the office is technically complete and are expecting a hand over in the first quarter of the next financial year;

Further budget allocations will be made to install network infrastructure and install furniture to make the office ready for use;

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i. Water and Sanitation Services

CDM is still a water service Authority meaning that it is responsible for water infrastructure in the municipality;

Water provision is still our main challenge and has been worsened by the COVID-19 pandemic;

Since the start of COVID-19 we have been hard at work working with the district and the department of water and sanitation to ensure a reliable supply of water;

We are furthermore grateful that the district has allocated R 5 million to provide access to sanitation services, benefitting 515 households within Molemole municipality;

R 34.7 million has been allocated over two years to construct a water supply scheme in Ward 3 & 4;

This will benefit 5499 households in Sephala, Mokopu, Thoka and Makwetja to get a reliable access to water by 2021/2022;

A further R 39.3 million was allocated from 2021/2022 for the planning and construction of water supply project in Ga-Phasha, Sefene and Ratsaka villages;

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j. Environmental Management

Waste management is one of the integral activity of our efforts to fight corona virus in the area;

As per our commitment in the 2019/20 financial year we have managed to purchase a TLB and Tipper Truck to assist with waste clearing in our communities;

We could not however procure the Skip Loader truck as planned for in the year and this placed a huge burden on the only one truck available for use;

It is however pleasing to report that funds have been made available for leasing of skip loader trucks to improve our waste management services in our communities;

We are also grateful for CDM to have donated more bulk containers to distribute in our villages;

We have also made provision of R 500,000 and R 600,000 to purchase more bulk containers in the 2021/2022 and 2022/2023 financial years, respectively.

R 400,000 has been budgeted to purchase a tractor with grass cutting machine to assist with cleaning of public places especially after heavy rainfall;

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LOCAL ECONOMIC DEVELOPMENT

The Youth in agriculture programme has continued in the 2019/20 financial year;

However, the municipality was only covering 4 graduates as two other learners have opted to pursue their careers elsewhere;

At the start of the 2019/20 financial year we partnered with Limpopo Department of Economic Development to introduce business registration centre in the Municipality;

We are pleased to report that we are on course with the project and have now employed 2x officials on a term contract to assist with business registrations in the municipality;

We hope to finalize the agreement by the first month of the next financial year to get the service in motion;

Job opportunities

The EPWP grant continue to provide job opportunities for the unemployed youth in the municipality;

The department of Public works has allocated R 1.3 million in the 2020/2021 financial year to continue the programme;

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In the 2019/20 financial year we have managed to create the following job opportunities:

Project Name	Job opportunities
Total number of EPWP employed on a one year contract	83
Total number of CW P employed in the municipality	79
Capricorn Park Internal Streets	19
Nthabiseng Internal Street	35
Construction of Moletji Office Cluster	15
Ramokgopa Stadium	10
Totals job opportunities created.	241

We hope to continue creating job opportunities in the coming financial year as well as support local businesses to create job opportunities for the unemployed;

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Youth development Programmes

I want to pay tribute to the youth of Molemole Municipality and of course across the country;

As we celebrate the 44th anniversary since courageous students stood up against repressive apartheid system;

The youth of today are facing a completely different set of challenges: Poverty, Inequality, Unemployment, gender-based violence, substance abuse now recently the COVID-19 pandemic;

Our restructuring of Special Programmes unit is proceeding well and we hope that in the coming financial year we should be able to launch a proper youth structure for the whole municipality;

We will continue to work with our national, provincial and district structures to implement youth support programmes within the municipality;

55% of the EPWP staff employed in the 2019/20 financial year is in the youth bracket, 60% of them being women.

28% of permanent employees are in the youth category – There is still room for improvement to push the number to at least 40%.

61% of people employed in the Community Works programme (CWP) are youth;

For the 2020/2021 MTREF we have budgeted R 470,000 to train and mentor 120 SMMEs over three years;

The total procurement bill to youth owned enterprises stood at R 5.3 million by the end of the 3rd quarter for this financial year;

57% of this amount was spent on Request for quotations which have a shorter turnaround time than tenders;

We will continue to use Supply Chain Management to support and empower youth owned businesses;

Good Governance

I would like to thank the administration of the municipality led by the Municipal Manager, Mr. M.L Mosena for their outstanding work over the course of the financial year;

Your efforts have once again maintained the unqualified audit opinion for the 2018/19 financial year;

This has been indeed a hectic audit period more so as our aim was to obtain a clean audit;

We are however grateful that the number of findings has reduced from 38 to 25;

Despite the interruption caused by COVID-19 I believe we worked hard to improve on this achievement in the coming audit – and follow the example set by the Capricorn district Municipality;

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Conclusion

As I conclude I would like to express my sincere gratitude to all the donors who donated food parcels to the District food bank to help the needy during this difficult time of COVID-19;

Your efforts have gone a long way in minimizing the impact of this virus among the vulnerables in our society;

As we continue to be on lock down to fight the spread of Corona virus allow me to remind everyone to follow these key preventative tips:

- **Wash your hands regularly with soap or an alcohol-based had sanitizer**
- **Avoid touching your eyes, nose, and mouth with unwashed hands,**
- **Avoid close contact with people who are sick**
- **Cover your cough with a flexed elbow or a tissue, then immediately throw the tissue in the bin**
- **Clean and disinfect frequently touched objects and surfaces**

STAY SAFE STAY HOME WEAR YOUR MASK KEEP A PROPER DISTANCE

I thank you!