



Steve Tshwete  
Local Municipality



Cllr BJ Tolo, Executive Mayor

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## SECOND BUDGET SPEECH DELIVERED BY CLLR BJ TOLO, EXECUTIVE MAYOR

**DATE:** 2 July 2019  
**VENUE:** Sydney Choma Banquet hall  
**TIME:** 18:00

Mr Speaker, Andries Mabena

The Deputy Minister of Local Government and Traditional Affairs,  
Mr Parks Tau

MEC for Co-operative Governance and Traditional Affairs,  
Mr Mandla Msibi

Nkangala Regional Chairperson of the ANC, Cde Speedy Mashilo  
Nkangala Regional Secretary, Cde Leah Khoza

Military veterans

Comrades of the Tripartite Alliance

Executive Mayors

Speakers

Chief Whips

Members of the Mayoral Committee and Councillors

Former Executive Mayors of Steve Tshwete Local Municipality

Human Rights Commissioner in Mpumalanga, Mr Sibanyoni

Municipal Manager of Steve Tshwete Local Municipality,  
Mr Khenisa and your team

All former Municipal Managers present here today

Medical practitioners present

Advocates

Municipal lawyers

Local businesses

Government representatives

Religious leaders

Traditional leaders - Amakhosi

Traditional healers - Izinyanga

Distinguished guests from Isibaya

Distinguished guests from Banyana Banyana

Noluthando Vilakazi who recently represented us in the Women's  
World Cup in France, accompanied by award winning sports  
journalist Busisiwe Mokwena

### SPEECH

On this occasion

Mr Speaker, We are humbled to acknowledge among us the presence  
of Isithwalandwe sethu uDr Esther Mahlangu.

Dr Esther Mahlangu was born here in Middelburg.

In her work we find the most noble preservation of our cultural herit-

age.

We are proud to count Dr Mahlangu among us.

Ladies and Gentlemen

This year, as a country we are celebrating 25 years of freedom.

On the ruins of apartheid we were able to build a democratic, non-  
racial and non-sexist South Africa.

We have done a lot to build our dream country, and yet, a lot still has  
to be done, keeping in mind that

25 years is a very short time in historical terms.

Speaker ...

As a country, we have just stepped out of the June month.

A month designated as youth month.

It is so designated, so as to celebrate and commemorate the pitched  
battles fought by our fearless young people in Soweto and elsewhere  
in the country - including Mhluzi - our own township, against the most  
brutal regime in recent history.

Today we are standing on the shoulders of those young people, some  
of whom paid with their lives for us to be free.

We dip our revolutionary banner and pay tribute to the young people  
who fell in battle, especially those who came from our Municipal area,  
like Reuben Mnisi,

Themba Senamela, Bhimy Damane,

Cowen Ntuli and many others.

Mr Speaker ...

July month, is Mandela month, we celebrate the life of this titan who  
dedicated his entire life to the finest cause in life-the liberation of  
mankind.

A man who could have lived a modest life, given his qualification as a  
lawyer, but chose to sacrifice so that you and I can live a decent life.  
He came out of jail after 27 years, not with vengeance, but with a spirit  
of reconciliation. He led all of us to the 1994 breakthrough, where the  
majority of our people experienced a ballot paper for the first time.

During this month, we want to reiterate that we should make everyday  
a Mandela Day.

Speaker ...

25 years later, the people of our country still believe that it is only the  
party of Mandela that will lead the struggle for a better life for all.

Speaker ...

Accordingly, we congratulate all political parties favoured by the peo-  
ple to represent them in the 6th Parliament.

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We also congratulate President Cyril Ramaphosa and his cabinet.

We have no doubt that they will take our country to another level and Bazakhawuleza.

The Premier of our province Cde Refiloe Mtshweni-Tsipane and her Executive are also congratulated and we say without fear of contradiction that they will do us good.

Speaker ...

Local government is the third sphere of government, whereas it is government closest to the people.

Its functions are derived from Section 152 of the Constitution and are:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment
- And to encourage the involvement of communities and community organisations in the matters of local government.

The Constitution further states that local government, in its planning and budget must prioritise the basic needs of the communities it serves.

Our Municipality is one of the fastest growing municipalities in Mpumalanga.

We have a population of about three hundred thousand people.

This population grows at about 4.4% annually.

Our growth can be referred to as poverty growth, as we mainly attract people without skills, who add to the level of unemployment which stands at about 19%.

The majority of these unemployed communities are young people and women.

The economy of the Municipality grows at a rate of 1.1% and it is anchored on mining.

The coal mines in our Municipality are the main employers of our people.

The over reliance of our economy on coal is very dangerous and unsustainable as coal is a perishable resource and that the world and indeed the country is moving in the direction of green energy.

We must diversify our economy if we want to survive.

We do not want to be like towns such as Welkom which over-relied on mining and when mining stopped, they decayed and became ghost towns.

Speaker ...

Our Municipality is home to the biggest Stainless Steel factory in the Southern Hemisphere, Columbus Stainless Steel.

It is the second largest employer of our people.

In the main, this stainless steel is for the export market.

There is a steel incubation programme in our municipality.

Can we do more to add value to our raw materials like steel?

Some of these women have had to pay the supreme sacrifice for us to be where we are today. We salute women like Nosiviwe Maphisa-

Nqukula, Thandi Modise, Sis Jakkie Modise and many others.

### **Pause and pay tribute to MK Woman veterans.**

Thank you for choosing Steve Tshwete Local Municipality to host this lekgotla and I wish you successful deliberations during your two days stay.

Make sure that you explore the beauty and hospitality that this town has to offer. Visit our Tourism Information Centre down the road and please do not hesitate to empty your purses in support of our local economic development.

Once again, you are all welcome.

I thank you.

Speaker ...

Agriculture and tourism are sleeping economic giants that needs to be woken up if we are serious about further economic development.

Above all, Speaker, trends in the country and in the world indicate that SMMEs are the way to go.

These are real stimulants to any economy.

It is for that reason, that as a Municipality, we have embraced the Township economy.

This initiative is still in its infancy, but we have no doubt that with proper all round support from all stakeholders, this will be a remedy to many of our problems.

The challenge here, however, is that most township shop owners have surrendered their businesses to foreigners.

Without sounding xenophobic, we want to encourage our people to go back to their shops and tuck shops, as this will be the base of our township economy. Already, with the help of our social partners, we have supported initiatives, like the development of Node D, Galitos and other initiatives.

However Mr Speaker we want to do more.

Speaker ...

We have a funding agreement with ABSA to assist with the SMMEs who gets contracts from the Municipality but do not have capital.

It is our considered view that this will go a long way in assisting our young entrepreneurs.

Mr Speaker as you would know ...

We are living in a world of scientific and technological revolution that ushers in the Fourth Industrial Revolution.

As a Municipality, we do not want to be a Cinderella.

Hence our embracing of the concept of Smart City and development of ICT.

We want a situation where our people can pay for their services from the comfort of their lounges, where they can buy electricity without queueing at the Municipal offices or electricity kiosks.

This is called the 'Internet of things'.

Speaker ...

We are rated as the number 1 Municipality in the province and the fourth best in the country by the Government Institute in relation to service delivery.

And in addition, Mr Speaker, the Steve Tshwete Local Municipality kept its winning ways throughout 2018/19 financial year.

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Some of the achievements of the Municipality are:

- First prize winner for the 2018 on Local Municipality Category for Arbor City Awards nationally. We are indeed the National Arbor City Awards champions

- Runner-up position after Mbombela as the Greenest municipality in the province.

Despite our relative achievements, we are alive to the following challenges that face our Municipality ...

- Ageing infrastructure. Over and above, the challenge of ageing infrastructure which was built more than 30 years ago, the population explosion adds a further strain to this infrastructure.

During our lekgotla, we resolved to appoint transactional advisers to look at a funding model that will address this challenge.

- CRIME. Unemployment and economic desperation creates social ills such as crime.

Crime Prevention remains our focus area. It is for that reason that we installed CCTV cameras in the CBD, Mhluzi and Hendrina.

- HIV&AIDS. The HIV & AIDS pandemic remains a challenge in our Municipality, especially, Ward 29, Doornkop. Prevalence in this Ward remains at 43%. Through the Local Aids Council that I chair, our eyes are zeroed in on this challenge.

- Housing Delivery

Backlog. The demand for housing is much higher than the rate at which we can provide houses.

The backlog according to municipal records is more than 18 000.

We must explore alternative ways, like giving people serviced stands, so that those who can, should build for themselves.

We are already piloting this in Kwazamokuhle - emaWag.

We can report that the allocation of RDP houses by the Provincial Department of Human Settlements stands at 1545, and to date

1012 houses were completed and handed over to beneficiaries.

These houses were built in Rockdale North, Newtown (Mkokotlong) and Somaphepha.

Accordingly, we also want to thank the private sector for helping us address the housing backlog as part of the Social Labour Plans.

Speaker last year this time we made certain commitments to the people of Steve Tshwete Local Municipality, It is our pleasure today to report to you how far we went in realising those promises with the budget that was approved by council in the last financial year ...

### 2018/19 FINANCIAL YEAR ACHIEVEMENTS

#### Roads and Stormwater

We have spent R11.8 Million on roads construction and storm water drainage system throughout the Municipal area as follows:

- R2.1-million was spent on the construction of a road and a storm water drainage system in Tokologo Ward 26, in Sihlange Street.

Mr Speaker, I need to indicate that we are indeed relieved and elated that residents of this street will no longer have their houses flooded during the rainy season.

- R4.2-million was spent on the construction of a road in Mhluzi Extension 2 Ward 23, Marula Street.

- R5.5-million was spent on the construction of a road and storm-water of Node D next to Malope Village.

- Paving of Ext 6 road in Kwazamokuhle at an amount of R2.5 million resulting in 22 jobs and skills transferred.

#### Water and Sanitation

On water and sanitation, R44-million was budgeted.

The bulk of the budget was spent on the upgrading of the Boskrans Waste Water Treatment plant.

Mayor to elaborate ...

The remaining amount of the R44 million was spent as follows:

- We have erected 164 low flush toilets and 300 communal taps in Somaphepha Village.
- We have refurbished the Water Treatment Plant in Hendrina for clean drinking water to the residents of Hendrina and Kwazamokuhle at an amount of R17-million.
- We continued to replace and maintain water pipes throughout the Municipal area.
- We have upgraded the Vaalbank Water Pipeline to the tune of R19-million.

#### Electrification

Speaker; We have spent R58-million on electrification as follows:

- R5-million was spent on the installation of 12 high-masts in Mhluzi and Kwazamokuhle Extension 8.
- R7-million on the electrification of 297 stands in Ward 17.
- R25-million was spent on the replacement of bulk cables that were continuously giving us problems throughout the Municipal area.

#### Physical Development and Parks

Speaker, to create a liveable space for our communities, we have spent a total budget of R76-million, in the upgrades and development of parks as follows:

- Eco park in Hendrina.
- Mafred park in Kwazamokuhle.
- Middelburg park.
- Mhluzi park.
- Gholfsig park in Middelburg.

Speaker ...

- We have also constructed a Multi-purpose court in Hope City park.
- Installed play equipment and New Gym equipment in Ext 2 park, Mhluzi.
- Installed Basic Sport facilities in Ward 27, Newtown.
- Installed Gym equipment at OR Tambo park, Mhluzi
- Resurfacing of Themba Senamela tennis courts.
- Installed Basic Sports equipment at Ext 8, Kwazamokuhle.
- Fenced Hospital street park.
- Upgraded the garden at the Civic Centre.

Speaker, this shows our commitment to the general well-being of our communities.

#### Municipal Buildings and facilities

Mr Speaker, in our manifesto we promised that we will develop three additional Thusong Services Centres in Kwazamokuhle and in the rural areas.

On 5 April 2019, we handed over a state of the art library constructed

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at a total cost of R5-million in Somaphepha, one of our rural villages.

This is the first phase, the second phase - which is a community hall - is well underway. We anticipate completing this project in December 2019.

In addition, UNISA students can also access their study material in this library.

Mr Speaker, this is our endeavour to bring government facilities closer to the people, so that they do not have to travel long distances for help.

It also makes it easier for the less fortunate residents to enjoy direct access to the opportunities and resources made available to them by the Municipality.

### **People living with disabilities**

Speaker, we are a municipality that cares for our most vulnerable including people living with disabilities.

We aim to ensure that everyone has an opportunity to unleash their potential, irrespective of one's physical challenges.

We have made it a point that our buildings are accessible to them as well.

In partnership with Com-Air Pty we have created learnerships for 12 persons living with disability, offering training on retail and wholesaling for a period of 12 months.

The programme provided a stipend of R4500 per learner. Congratulations to the learners!

We also partnered with Columbus Stainless Steel and trained 12 interns as Administrators, with a stipend of R4000.00 per intern.

We are proud to say that at the end of the programme three candidates were appointed as Administrators at Columbus Stainless Steel.

We would like to thank Columbus Stainless Steel for partnering with us.

### **Early Childhood Development**

In the same spirit, Mafube Colliery sponsored a two-day training for 70 Early Childhood Development (ECD) teachers on Waste material for toys at Midway Hotel.

They were taught how to use waste material such as empty water bottles, toilet paper cardboard tubes, etc into usable toys.

We will soon hand over to the community a state of the art Early Childhood Development centre built by South 32, valued at R5-million in Mhluzi Extension 4.

We are finalising the donation of old municipal buildings utilised as ECD centres to an NGO called Child and Family Welfare.

We are also donating a newly built ECD centre (Krinkie Krankie) in Nazaret to the same organisation.

### **Senior citizens**

Speaker, we care for our elderly, and we have invested in their overall well-being.

Mayor to use Vernac

### **Youth Affairs**

In respect of the Youth Development we will continue with the rendering of a comprehensive youth advisory and development service in partnership with the private sector.

We have adopted an integrated youth development strategy which will guide the Council in engaging with the youth on youth matters.

As a municipality, we are committed in assisting our youth but they

must use every spare moment they now have to grab every available opportunity.

Remember, the more you utilise your opportunities, the greater the reward that can be reaped in the form of success.

### **Local Economic Development**

Speaker ...

To boost our Local Economic Development, we are in the process of establishing a new LED forum.

We wish to thank the outgoing leadership of the LED forum.

We look forward to working with the new leadership.

We encourage our entrepreneurs to stay focused and pursue new opportunities in our locality.

As a municipality we need to look at new incentives that will attract business to invest in our municipality.

In our intervention to assist local business, we have adopted the following interventions:

As indicated earlier, a funding agreement was reached with ABSA to assist in the growth of Small, Micro and Medium Enterprises (SMMEs) who get contracts from STLM but do not have start up capital.

This is part of our Township Economy strategy and contractor development.

A winning agreement between Steve Tshwete Local Municipality and Yingtan City of China was signed in the financial year under review.

Very soon, we hope to lead a delegation from our town to Yingtan with an aim of attracting investment

We have allocated land for the Columbus Stainless Steel incubation expansion.

We have also allocated land for the establishment of the Fly Ash Project.

We have secured funds and governance support from GIZ in Germany to develop sector plans for LED.

### **Solid Waste**

It is our moral responsibility to conserve the environment.

Mr Speaker, we should leave behind a liveable environment.

That is the most important thing worth inheriting.

We will continue with our efforts to be the most green municipality in the province.

On that note Mr Speaker ...

We have upgraded Hendrina waste transfer station at a cost of R6.2-million in order to increase the temporary storage capacity of waste to reduce travelling costs to the only landfill site in Middelburg.

We have also introduced 240 litre wheelie bins.

They are user-friendly even for senior citizens because of the wheels. You just push instead of lifting.

They have an increased storage capacity which means, we will now collect waste once a week in areas where hitherto we have been collecting twice.

Mr Speaker, we have already distributed them in various areas of the municipality.

We will continue to roll out this project to other areas.

We have also installed semi-underground bins in certain areas for public to reduce littering and illegal dumping.

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public to reduce littering and illegal dumping.

Way forward

Speaker, we will start right here to create a favourable environment for the emergence of a global citizen who is integrated in the digital economy.

We will roll-out Wi-Fi to our communities, so they participate into the global digital revolution. We are showing a high digital content and technology penetration as a society; and we should take advantage of that.

As the young ones often say Mr Speaker, the future is only a click away!

I know, Mr Speaker, that you and I may find this wave of technology difficult to comprehend; but we sure need to move with times and adapt, otherwise we will be forcefully controlled, altered and deleted.

We will also finalise an integrated Customer Care system in this financial year, to allow for seamless communication with our communities to address some of the service delivery complaints.

Speaker ...

As we move into the future, we note the continued vulnerability of our people and need to use our policy directive to address their challenges.

We are made up of both urban and rural centres. This requires that we bridge the development gap between the rural areas and the urban centre.

We should ensure that our local economic development strategies also unlock opportunities in rural areas.

We should unlock opportunities for black farmers, as part of our land reform policy.

We should create sustainable business networks between rural areas and urban centres.

Mr Speaker, we should consider the creation of entrepreneurship programmes that are deliberately designed to create sustainable economic pipelines between rural and urban centres.

As prescribed by the National Framework on Municipal Indigent Policy, we have adopted and are implementing a comprehensive indigent policy through which we extend social assistance to residence of the municipality.

We aim to reduce the frontiers of dependency by creating an environment for economic and job opportunities.

### 2019/20 BUDGET

The Integrated Development Plan is a product developed from consultative meetings with all stakeholders of the municipality.

Residents once more informed us of their concerns about the unaffordable of municipal services.

In collaboration with the national and provincial spheres of government we will address their concerns.

Like all other public institutions, the problem of limited resources versus the ever increasing needs of society remains a challenge that always requires skilful consideration.

The Municipality has strived to utilise all its financial and administrative capacity to achieve its mandate on these priorities.

Speaker ...

Coming to the 2019/2020 Medium Term Budget itself; It is my pleasure to submit to you the budget for the 2019/2020 financial year.

As already indicated, this is very tight budget aimed at ensuring that levels of revenue are maintained to ensure continuation of current basic services in line with the guidelines issued by the National Treasury in the 2019/2020 Budget Circular.

This Medium Term Budget is linked to the IDP and indicates the direction we are navigating to, in achieving the following goals:

- Provision of sustainable and accessible basic services to all.
- Provision of a safe and healthy environment.
- Promotion of economic growth and job creation.
- Promotion of good governance, organisational development and sustainability.

The following constitute the key budget focus areas:

- Cost reductions to ensure affordable tariff.
- Social support to those residents who cannot afford to pay for services.
- Continuous infrastructure development to upgrade ageing networks as well as the maintenance thereof.
- Intensification of job creation activities through the implementation of capital projects, the expanded public works programme and the launch of the township economy strategy;
- Good governance and clean administration;
- Continuous efforts to ensure high collection rates.

Our revenue base remains under pressure and needs to be expanded over the medium term to sustain the financial position of the Municipality.

We once more call upon our residents to continue showing their support by prioritising payment of Municipal services to build a better future and improve the living conditions of all residents.

Thank you very much to the residents of Steve Tshwete Local Municipality, if you continue to pay for the services that you receive we commit to giving you further quality services.

Speaker ...

We are pleased to announce that the budget is balanced and fully funded.

Mr Speaker, the total budget for the 2019/20 financial year amounts to a total of R2.2-billion.

Of this amount, R483-million will be spent on our capital projects as follows:

On Roads and Stormwater we are going to spend R68.7-million.

New Roads & Stormwater - R34.9-million - Kranspoort, Aerorand West, Presidentsrus, Low income areas, Tokologo, Somaphepha, Multi-model Transport Facility.

Upgrade Taxi Rank Middleburg - R6-million.

Roads reseal - R12-million - Middelburg/Mhluzi Wards 8, 10-17, 20, 23, 25, Hendrina/Kwazamokuhle Wards 1-3.

New Roads & Stormwater in low income areas R11.6-million - Wards 2, 8, 23 and 28.

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On Electricity we will spend R68.2-million

Replace cables in problem areas R30.7-million - Wards 3, 13 & 18.

Replace mini-substations R3.3-million - Ward 15.

Electrification R17.2-million - Rockdale and prepaid connections.

High-mast lighting low income areas R7.7-million - Wards 2, 8, 15, 24 and 25.

On water - R51.4-million will be spent, the main projects are:

- Replace old water pipes - R21.1-million - Middelburg/Mhluzi.
- Construct reservoir - R16.6-million - Kwaza Ward 1, Pullenshope.
- Replace equipment - R7-million - Vaalbank WTW and Middelburg Dam pump station.
- Water Network - R1.7-million - Ext 49, Mhluzi ext 2.

For Waste Water Management R77.3-million has been allocated and the main projects are:

- Networks - R11.3-million - Dennesig North Ward 17, Node D Ward 18, Mhluzi Ext 2.
- Upgrade second phase Boskrans sewer plant and equipment - R60,7 million.
- Outfall sewer lines - R15-million

On Waste Management we will spend - R22.3-million.

- Mini-station and drop off centre - R13 million.
- Extend landfill site - R9-million - Middleburg
- Refuse compactors and trucks - R12.4-million.

We have budgeted R44.1-million for Community Assets to be spent:

- New MPCC - R27.5-million - Somaphepha, Rockdale, Kwazamokuhle.
- Cemeteries low income areas - R3.3-million.
- Renovations/upgrade stadium - R6-million - Themba Senamela.
- Develop and upgrade parks - R4.5-million - low income areas, town entrances.
- Basic sport low income areas - R1-million.

On operational expenditure, we are going to spend R1.7-billion.

The municipal allocation in terms of the equitable share increased from R23-million to R179-million and is mainly used to provide relief to indigent households at an amount of approximately R12-million per month.

Infrastructure grants increased from R95-million to R97-million.

### Tariff increases

Speaker, in order to continue providing sustainable services, the Municipality should be in a position to cover costs associated with the provision of services.

In this regard some cost drivers may necessitate increases above CPI.

It is on this basis that tariffs are reviewed in order to ensure sufficient cash is generated to remain focused on effective service delivery that is economical and equitable to all communities.

The new tariff adjustments are very nominal and are meant to just recover costs. They are as follows:

- 6,9% average increase for sewerage.
- 12% average increase for electricity.

- 7,9% increase for refuse removal.
- 8,4% increase for property rates.
- 7,2% increase for water.

There will always be challenges and our needs remain many but our resources are unfortunately limited.

As the ANC-led Municipality, we remain committed in running a clean, accountable and effective administration.

Speaker, ladies and gentlemen this is the 2019/2020 budget that the Steve Tshwete Local Municipality is presenting to you based on the developmental needs of our communities.

I thank you.