

**THE 2010/2011 BUDGET ADDRESS BY THE HON. MAYOR OF
MAKHADO MUNICIPALITY, CLLR MAVHUNGU LERULE: 05
JUNE 2010, AT MAKHADO MULTI PURPOSE EDUCATION
CENTRE.**

Program Director,

Thovhele Khosi-Khulu Vho-Toni Mphephu Ramabulana

Hon. Madam Speaker

The Hon. Executive Mayor of Vhembe, Cllr Mdaka

Members of Legislature present

SALGA Limpopo

Mayors and Leaders in Local Government

Colleagues in the Executive Committee

Chief Whips

Traditional leaders present

Councilors

Municipal Managers and Senior Officials from Municipalities and Sector

Senior Managers from Sector Departments and parastatals

Representatives of Business, Faith-Based Organizations and Civil Society
Organizations

Comrades, Leadership of the ANC and other political Organizations

Stalwarts and Veterans of our struggle

Women, Youth, People living with disabilities and community leaders
present

Friends, Distinguished Guests, Comrades,

Ladies and Gentlemen

Good evening,

Allow me the honor and privilege to present the budget of Makhado Municipality, which will creatively capture the state of the Municipality and outline the Integrated Development Plans and priorities for the financial year 2010/2011. Significant to note is that our current endeavors are a continuation of the heroic and selfless contribution made by our forbearers and titans of our national liberation struggle.

Program Director,

Let us take a moment of silence in honor and remembrance of our stalwarts who passed away during the past year of action, amongst them Hosi Mkhari, who was a member of our Council, J. Hlongwani, the artiste most revered for his sterling work in arts and culture, Vho Jennifer Livhoga who was a member of Ward Women's Forum in Ward 23, Vho Mary Mahladiisa, a Women's League Veteran, who was part of the first branch of the ANC Women's League in Vleifontein. They served our people with revolutionary dedication, selflessness and vision and they will be solely missed by all of us.

Today, is a special occasion because in our audience we are joined by the members of the Ha Mavhunga Women's Stone Crushing Project, this is a community based project established by women with the aim of supplying local market with concrete stones. They crush stones using hand-tools, they do not have a shelter to work from but they persevere against all odds. When we recently visited the project during the Imbizo held in the Dzanani Region, we were all inspired by the resilience and collective spirit that keeps the project functioning.

I wish to mention that we shall be providing technical and project management support to ensure that the project objectives of creating jobs and improved quality of life for its members and the community as a whole are realized.

Program Director,

This year's budget is a building block to the previous one and it critically reflects a gradual and progressive leap from last year's budget which was presented amidst the doom and gloom that had gripped all the major economies of the world, including South Africa.

Our national economy is expected to grow by 2.3% in 2010 above the projected 1.5% we made in October last year. As we now slowly emerge from the recession, we can only take pride in the response of our government which was, in the face of adversity, able to map out and keep us on a disciplined fiscal path.

While there is a greater need to remain cautious of global and national economic circumstances, at local government level, we all need to remain vigilant and combat ready to ensure that we remain on the strict and disciplined fiscal path, in order to continue providing sustainable, accessible, affordable and quality services to our communities, especially benefiting those that remain in the sidelines of economic progress.

Program Director,

Today, like yesterday, we continue to be firm in theory and practice that our people deserve nothing less, when it comes to the delivery of basic services. This budget address is therefore people centered in that its content seeks to put the interests and aspirations of the people of Makhado first. Through various service delivery innovations and relevant development interventions we should take these services where people live and work.

The allocations for infra structure and local economic development must strive to increase improved access to basic services, schools, roads, water and sanitation, housing, hospitals et cetera with an emphasis on women, youth, children and people with disabilities.

Furthermore, we shall implement a more focused approach to planning, implementation and monitoring of all service delivery initiatives in line with budget commitments. As articulated in our IDP, as a municipality we should develop our own Employment, Growth and Development Strategies/Plans in line with District, provincial and national development imperatives that will guide our short term-medium and long term development objectives, to realize the mission and vision Makhado.

As a Municipality, we have a revolutionary obligation to contribute to the realization of key spending priorities, articulated in the national and provincial budget presentations, which include:

- Creation of decent jobs and sustainable livelihoods
- Education
- Health
- Rural development , food security and land reform
- The security of our people in the fight against crime and corruption,
- And, investing in effective local governance and adequate human settlement.

We will continue to collaborate with District, Provincial and National government to ensure that these priorities are translated into programmatic interventions that will make a difference in people's lives.

The 2010 Fifa World Cup Legacy

2010 is a special year for all humanity, Africans in general and South Africans in particular. It is a year that restores the essence of our being and pride as a people. Although as a Municipality, we shall not have the opportunity to host the games or Public Viewing Areas, we are proud that we have contributed in ensuring that the legacy of the World Cup reaches the hills and the hearts of the people in Makhado towns and villages.

We have successfully hosted the 2010 Mass Mobilization and Football Friday Campaign supported by the 2010 Local Organizing Unit in the Province, SAFA and other social partners. Our town hosted the Adidas Tour Truck that got many residents of Makhado putting their signatures on the Bafana Bafana jersey that will be displayed during and after the games.

We are happy to announce that as a town, we were able to host the World Cup Viewing Tour on the 26th May 2010, which enabled all our people to view and cherish the well World Cup Trophy before the kickoff' s on the 11 June 2010.

We have and continue to support various school and community based sports campaigns as part of ensuring that all of us contribute to the making of history. Our youth have taken part in the awareness campaigns held at Nzhelele Region, coordinated in partnership with the National Youth Development Agency and SAFA, with the aim of ensuring that the youth learn more about the South Africa flag, coat of arms and other national symbols like the national Anthem, which are key elements of building a patriotic and caring society.

Safe to mention that, our own Makhado Airforce Base, located within the Makhado Boundaries will monitor and provide aviation and space security during the games.

Program Director, six(6) days left before the official kickoff of the world cup games and we are saying, right here in Makhado, **we welcome the FIFA World Soccer World Cup, It is here and we can feel it!**

Program Director, in the words of world renowned scholar Thomas Jefferson who once said “ **The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have government without newspapers, or newspapers without government, I should not hesitate a moment to prefer the latter**”. **End quote!**

Our duty as elected leaders of our people and as custodians of a people’s government, we have taken it upon ourselves to ensure that the defining feature of this administration will be that it knows where people live, understands their needs, and responds faster. We are working faster, harder and smarter.

As Makhado we are fully aware of our responsibility to ensure that our people have frequent contact with their elected leaders in order to realize the objective of effective and efficient administration, caring and responsive municipality.

We have in the past year established and inaugurated all 37 Ward Committees within the Municipality and we continue to ensure that we provide them with required support to ensure that they remain the basic units of governance and frontline custodians of quality and sustainable service delivery.

The need to continue building capacity for local governance is central to our revolutionary task of achieving popular mobilization, participation and cadreship development.

The need to clarify roles and responsibilities, developing organizational capacity and integration of activities and programmes of community based structures especially ward committees, civil society organizations, and defining relationship between ward councilors, traditional leadership and Community Development Workers is indispensable in order to advance community development.

As a Municipality we were able to facilitate open, inclusive, participatory and municipal wide processes to finalize Ward Delimitation consultations with all stakeholders. Our Wards will now increase from 37 wards to 38 wards.

We are going to develop a working partnership with the IEC to ensure that we adequately prepare ourselves and our communities for the next year local government elections.

Local Government Turn Around Strategies

The 2009 State of Local Government Report presented by the Minister of Cooperative Governance and Traditional Affairs, read together with the IDP Assessment Report presented by our MEC for Local Government and Housing in Limpopo has identified several- critical and strategic focus areas for turning around the situation in our Municipalities with the aim restoring the confidence of our people in the system of local government.

As a Municipality we have engaged in an internal and robust process, guided by the Office of the Premier and the Department of Local Government and Housing and other state institutions, to develop and finalize our Turn Around Strategy complemented by S-M-A-R-T Plan, which amongst other things identified the following critical priority turn around focus areas:

- **The need to continue stabilizing relations between management and labour-** workers are community members before they are workers, leaders of local government, before they are leaders, they are members of the community, so common interest has to be put above all sectoral interests. We shall promote a stable working environment by building capacity of both the employees and the employer to understand their roles and responsibilities on labour related subjects. We shall revitalize the Employee Assistance Program and uplift the moratorium on implementing disciplinary measures as dictated by the Labour Relations Act.

- **Filling of strategic management and critical service delivery posts-** as Makhado we are proud to announce that the top administrative management posts are filled and that we have significantly reduced the vacancy rate, especially of those posts that are regarded as critical and with a direct bearing on service delivery. We have a competent team led by the Municipal Manager, the Director of Technical Services, Development and Planning, Community Services and Corporate, Support and Shared Services. This men and women possess complex expertise, skills and experiences capable of taking us to another level of administrative excellence.

- **Financial Management**

As a municipality, we are gradually lifting ourselves out of negative audit status. We are developing and implementing an action plan to address issues and recommendations raised by the Auditor General, Internal Audit and Council's Audit Committee in order to turn around the situation and comply with all applicable legislation. We anticipate establishing our own Municipal SCOPA to ensure that we fully enhance the ideal of a transparent and accountable administration.

- **Public Participation:** To ensure that elected representatives continue to interact with the public on a regular basis, to close the communication gap and allow for information flow, to reinforce accountability to citizens through continuous engagement with the Municipality, we have adopted a non- apologetic stance to ensure that we convene ongoing public participation campaigns through community outreach and mass meetings, u shumisa dzikhoru and we shall host at least 4 x Imbizo's programme in all Regions of Makhado in order to create a platform for community members to voice service delivery concerns and frustrations.

As a Municipality, we are taking part in the Capacity Development for Local Governance Program, coordinated by IDASA. We have recently hosted consultation workshops with representatives of Ward Committees and also Civil Society Organizations, which assisted to identify gaps and propose solutions to improve on local governance matters. The program envisages to develop a Local Government Barometer and Scorecard to assist us in identifying critical areas for improving decision making processes and thus

enhancing institutional capacity and systems for effective and efficient governance at the lowest level.

The above priority areas, specifically give effect to the strategic thrust of local government which as we know includes:

✓ *Good Governance and Public Participation*

As a Municipality we have convened ward based –public consultations processes involving all community stakeholders in developing and reviewing our Integrated Development Plans (IDP). As required by the Constitution of the Republic of South Africa and local government legislation (Municipal Systems Act, No 32 of 2000) we have made sure that these public consultations are qualitative and afford all stakeholders, to identify and submit all development and service delivery needs and priorities.

These forums are indeed bedrock of our democratic and development planning processes because they inform municipal budgeting processes. We shall ensure that the Service Delivery and Budget Implementation Plans are developed, reviewed, monitored and serve a strategic management tool and yardstick to measure progress and challenges in the coordination and implementation of all service delivery priorities identified in the IDP for the next financial year and beyond.

We continue to support Ward Committees, as basic units of governance to ensure that they carry out their functions and roles with diligence and skill.

✓ *Institutional Transformation and Organizational Development*

Our ability to deliver on the mandate entrusted to us by the electorate requires a fully fledged, focused, skilled, dedicated administrative component and particularly human resource machinery that is capable of discharging its duties and obligations without fear, favor or prejudice.

We are moving with speed to ensure that all posts identified as critical are filled with the intention to speed up the delivery of services to our people. We have adopted an organizational structure that strives to respond to development needs of our communities, thus creating a sustainable linkage between effective and efficient institutional machinery and the achievement of service delivery objectives.

Various human resource development and training interventions are being implemented and will be reinforced in the coming year to ensure that we have a well skilled and professional workforce. An amount of R2 050 000.00 been set aside for 2010/2011 for this purpose.

Externally, we have been able to provide bursaries to 17 needy and deserving students from within Makhado Municipality with at least R15 000.00 each to pursue their education in the fields of Electrical and Civil Engineering, Town Planning and Real Estates, B. Com Accounting and Financial Accounting, including a special case of a student, Sylvester

Phumudzo Thaha who is registered for a Degree in Mining and Environmental Geology at UNIVEN. We applaud the Bursary Committee for the outstanding work done to ensure that we carry out this task with focus and integrity. We shall increase the Bursary fund to R300 000 during 2010/2011.

✓ *Municipal Finance Management and Viability,*

As indicated earlier on, as a Municipality, we have committed ourselves to turn around the situation to ensure a more improved financial and accounting system that promotes accountability, openness and transparency and fiscal discipline.

We shall do what is necessary to ensure that the objectives of the 2014 – Operation Clean Audit Campaign are realized. The CFO and his Finance Team will develop a SMART Plan of Action to ensure that we resolve all outstanding audit related queries. Ours, as politicians, will be to monitor the process and provide leadership, with the trust that we shall attain a clean audit in the next 2 years.

We have agreed that all Supply Chain Management Policies will have to be implemented with immediate effect, as required by Municipal Finance Management Act No 56 of 2003, and that all necessary systems shall be put in place to ensure that we are able to meet all our internal and external customer expectations, based on fairness, honesty and integrity.

Our call to all service providers and suppliers of goods and services in Makhado Municipality and beyond, is that they should know that **(apart from newspaper adverts)** all tenders and requests for quotations for goods and services that are above R30 000.00 will now also be advertised regularly, on our website and notice boards at the Municipality.

As a Municipality, we have received technical support and ongoing assistance from a consulting company KWRC (Khuvutlu Water Consulting and Roads Services), appointed by Vhembe District Municipality to facilitate, coordinate and implement cost recovery solutions by improving water metering and billing systems.

To date, as Municipality we have been able to :

- Get assistance with borehole maintenance.
- Improved credit control and debt collection measures through bulk SMS'ses.
- Raise awareness on illegal water connections and its impact on service delivery.
- Improved monitoring of water quality at Reservoirs done on a monthly basis.
- Payment levels for services- between July 2009 and May 2010 have improved from 72% to 88%, with commendable improvements in water payments which increased from 38% to 133% ending May 2010.

We are proud of this partnership and trust that it will go along way to intensify revenue collection so that we can sustain service provision.

✓ *Basic Service Delivery*

To restore the self-respect, dignity and pride of our people, we need to move with vigor and speed to ensure that we provide clean drinking water and proper sanitation in all villages and households in Makhado, guided by the Millennium Development Goals and particularly achieving identified targets to increase access to water, sanitation, roads and related services by 2014.

Refuse Removal and solid waste disposal

Out of 129 000 households, 9 856 have access to basic refuse removal and 119 809 are outstanding. As part of our turn around plan, we going to approve the establishment of at least 1 (one) refuse dumping site for each Region and this will serve as Phase 1 of the proclaimed urban nodes in municipal jurisdiction.

We shall develop and implement the Integrated Waste Management Plan and finalize the closure of illegal transfer sites. We shall engage LEDET on the closure and rehabilitation and opening of new landfill site in Louis Trichardt and neighboring towns,

Roads

We have noted with concern that multiple roads in the R293 towns are not tarred and that there is insufficient storm water drainage systems. We shall identify those critical roads and include them in the construction of roads in the 2010/2011 Roads Building program. The assistance of the Department of Roads and Transport in this regard will be explored and secured.

We shall develop the transport plan, develop the Roads and Storm water Management Plan, develop GIS for Roads, engage partners like the DBSA and IDT for skills development and transfer on roads maintenance.

Partnership with these like minded partners will create short term and long term job opportunities for our people.

Water

Out of 129 000 households in Makhado, 68 873 have access to basic water and 38 693 are outstanding. As part of our turn around on water supply, we shall be finalizing the Water Supply Plan, engage with the Vhembe District Municipality on the prioritization of projects in order to eradicate the backlog. We shall intensify participation in the review of the WSDP.

As a Retail Water Service provider, we have a responsibility to supply water to households and villages through boreholes, extension of the reticulation system and also mobile water, in this regard we continue to engage and collaborate with the Vhembe District Municipality to clarify unresolved technical and administrative matters in water service provision in the Municipality.

Bulk water supply is the mandate of the District Municipality and therefore a speedy resolve of the technical aspects and operational maintenance plans and funding of water infrastructure projects and services is critical to ensure the sustainable supply of clean drinking water to our communities.

Last year the District Municipality allocated R42.1 for development of bulk water infra-structure in Makhado. 80% of the projects have been completed and the 2010/2011 allocation is R163.3 million.

Sanitation

Out of 129 000 households, 90 190 have access to basic sanitation and 38 810 are outstanding. As part of the turn around, we shall be finalizing the prioritization of the household sanitation projects for 2010/2011.

Last year the Vhembe District allocated R50 million for the provision of bulk and household sanitation projects in Makhado. Due to late appointment of service providers most units will be completed during 2010. We are happy to announce that 2000 units were completed.

Electricity

Out of 129 000 households, 94 307 have access to basic electricity and 34 693 are outstanding. As part of the turn around, we shall be engaging Eskom on the availability and increment of capacity to provide more households with basic electricity. We shall upgrade substations, we shall engage the DBSA in the review of minimum requirements for training of artisans, and also engage the Department of Mining and Energy on the funding patterns.

A total of 5907 households benefited from the electrification project. We shall be increasing household connections to 6822 during the 2010/2011 financial year.

Indigent Policy and Programmes

We have recently launched a pilot program, in partnership with Eskom, with the aim of scaling up new registration and capturing of indigents application for free basic electricity by the needy and deserving households. This project will ensure that at least 30 000 new applications are completed and captured by the end of June 2010 we anticipate a significant percentage increase in the number of households in our Municipality that will benefit.

We have engaged Ward Committees, Ward Councilors and CDW's to be at the forefront of delivering this mandate.

✓ Local Economic Development.

Local economic development is a cornerstone for unleashing and sustaining the potential of our local economy to create jobs and improve the quality of lives for many of our people. We shall make municipal owned land available for business/commercial type and residential development.

We shall continue to provide technical , financial and project management support to existing and new income generating projects and SMME's that have a potential to create employment opportunities, with a bias to unemployed youth, women and people with disabilities. We shall implement policy and our LED strategy in order to promote tourism and related economic development initiatives.

Public-private partnerships will be explored with like minded institutions like LIBSA, SEDA, LIMDEV, NDA, LOTTERY, NYDA, TIL and other state institutions in order to provide strategic financial and non financial support to emerging and established enterprises and entrepreneurs.

A Local Economic Development Summit will be convened during July 2010 with the objective of reviewing strategies for effective people centered economic development programmes. The Summit will also explore the potential of Makhado Municipality being the manufacturing hub of the Region.

Municipal Spatial Development Framework

We have a fully functional Development and Planning Department that is tasked with the mandate of executing the Spatial Development Framework and the Land Use Management Scheme so that we make full use of available land space. The framework will go a long way in ensuring that we harness and fully integrate land use for settlements, business, agriculture, and protecting our cultural and heritage sites- with the full use of planning tools such as the GIS and aerial photos.

Housing

The provision of quality housing remains one of the most critical mandates of the present government to address past inequalities. We should make it clear that this function remains the competency of the provincial and national Department of Local Government and Housing and our

responsibility is the coordination, facilitation, monitoring and support of housing development projects.

We continue to observe disturbing patterns and trends in most housing projects within our jurisdiction. Illegal occupation, vandalism, inaccessibility of areas demarcated for housing development, shortage or absence of basic social and economic infrastructure, like schools, clinics, roads, water and sanitation.

Poor or lack of good working relationship between local stakeholders, characterized by conflict over cutting and changing of housing waiting lists and beneficiaries and contestation of powers and responsibilities, between Ward Committees, Councilors in some extents CDW's and SANCO structures. This complex tensions impact negatively of the implementation and delay thereof of housing developments, we need to change this unacceptable patterns and trends in leadership styles.

The allocated housing units for Makhado Municipality during the next financial year 2010/2011 are 1050 units.

Ward	No of Units	Villages
9 and 14	200	Bungeni / Xikhulu(100) + Matsindevhe (100)
24,26,34,36	300	Gogobole (75) Manavhela(75) Matsa(75) Tshiendeulu(75)
7	100	Masia (50) Vhangani (50)
13	50	Chavani (50)
14	50	Bodwe(50)
15	100	Mpheni (50) Valdezia (50)
25	150	Maebani (150)
37	100	Smokey (100)

Disaster Management

A total of 650 houses were destroyed by storms and heavy rains last year, a total of 89 houses were damaged due fire related issues. The beneficiaries received support in the form of food parcels, blankets and tents. We continue to work jointly with the Vhembe District Municipality in implementing disaster management programmes aimed at prevention, effective and rapid response of and during disasters in our Municipality, respectively.

As Makhado Municipality, we have developed and adopted a Disaster Management Plan that guides all our actions in the discharging constitutional mandate.

We shall increase the number of vehicles that will improve our response time to incidences and coverage spread. This year we have set aside R500 000 for Tents and Equipments and R500 000 for humanitarian assistance.

Our Disaster and Emergency Control Numbers is 015 516 2990/3/4 and is operating 24 hours.

Traffic Services

We are proud to announce that we have recently launched the new Learners License Touch Screen System. It is a computerized system at the Testing and Licensing Station in Makhado town which replaces the use of manual learners testing to electronic/computerized learners testing. Simply put, it means that the public will now use computers to write the learners test.

This technology saves time; it is fair and minimizes lack of control and corrupt tendencies.

Our testing stations in Makhado and Vuwani have also been upgraded from a Grade B Testing Stations to Grade A Testing Stations which means that we can now test from motor bikes to the last category of truck or vehicle.

We shall be strengthening our traffic fine collection efforts to ensure that those with traffic fines take responsibility for their actions. In the next six

months to come, we shall be completing the building of Dzanani Testing Stations in an effort to ensure that all traffic services, including testing is made accessible to all our people.

We are going to add 15 traffic officers who will be deployed in all regional stations to ensure that traffic and related services are effectively provided. We are in the process of separating the Driving License Testing Centre (DLTC) from the registering authority (specifically in Makhado) in order to reduce long service queues at the Main Civic Building.

We are at an advanced stage to develop and finalize investment proposals to implement an Inter – Nodal Transport Hub with an investment cost of R107 million..

Traditional Leadership

As a Municipality, we continue to maintain a sound and vibrant working relationship with traditional authorities in all wards. We have made sure that the voice, skills and wisdom of our indigenous leadership finds expression in all decision making platforms of our Council. This healthy working partnership has proven that working together we can do greater things.

Our people want less talk and more action.

Youth, Women, Children and People living with Disabilities

We are hosting our Budget speech during the June Month which is also celebrated across our country as a Youth Month, in recognition of the historic role played by the youth and children of our country in the liberation struggle. We therefore dedicate this budget to their sacrifices, selfless contributions and visionary purpose that laid the solid foundations of our shared freedom and democracy.

Let me take this opportunity to welcome the leadership of the recently elected Makhado Local Youth Council, we wish them well during their term of office and trust that they will discharge their revolutionary mandate with diligence and skill because they mirror the spirit and soul of Solomon Mahlangu, Peter Mokaba, Bethuel Mudau, Hector Peterson and many young veterans and martyrs of our struggle.

As Makhado Municipality, we hold strongly that youth are the nucleus of socio economic development, and therefore we need to invest in their growth and development, as individuals and as a collective. We have increased the budget allocation from R50 000 in 2007 to R590 000 during the 2010/2011 budget in the next financial year. This is a clear demonstration by our Council, to the aspirations and interests of youth.

Women constitute the majority of those affected by the unjust socio economic conditions marked by unacceptable levels of unemployment, poverty, disease and violence.

Women continue to bear the brunt of underdevelopment which manifests itself in unequal access to socio- economic development opportunities.

As a Municipality, we continue to support the Women's Forums established in Wards across the Municipality to develop relevant programmes that will improve their quality of life. However, we must acknowledge that we are not making significant progress in providing technical training, management support and funding to women owned development initiatives. Most projects are failing due to lack of training in financial and project management, marketing and general accounting skills.

As a Municipality we shall continue to support different programmes aimed at promoting the rights of children and people living with disabilities. We have established fully fledged, representative and functional special committees dealing with issues of children and people with disabilities and are confident that they will continue to plan, coordinate and execute required programmes that will improve the living conditions of children and people living with disabilities.

We are greatly concerned by several disturbing and increasing rate of cases of rape and abuse of children, especially girl children, especially those with disabilities. **This anomaly must stop.**

Together, programmes for the elderly, children, women, and people living with disabilities will be allocated R1, 5 m during 2010/2011.

Arts, Sports and Culture

The 2010 FIFA World Cup that we shall be hosting as a nation will obviously affirm that sports have the potential and capacity to build and strengthen unity of purpose between and amongst people of the world.

Sports, builds nations and better communities.

We shall continue to support the Sports Council in coordinating and implementing developmental sports programmes across all sporting codes in our Municipality including indigenous games up until the Kremetart Cycling Tour. We need sports to be inclusive and to unite all people in the quest for true humanity.

We are proud to announce that during 2010/2011 we shall, in partnership with the 2010 Local Organizing Committee and SAFA, construct a world class Artificial Football Pitch at Rabali Stadium which is part of the 2010 FIFA World Cup Legacy initiatives.

We shall continue to be the proud home of Black Leopards and we shall relentlessly provide them with the support needed to regain their position on the Premier Soccer League. We shall work together with local sports clubs and the municipal sports council to ensure that sports grounds and facilities are well kept and properly maintained.

HIV and AIDS

Our analysis of the patterns, trends and most significantly the impact of HIV and AIDS in our families, social structures and institutions remains a matter of concern. As I mentioned in last year's budget speech that the prevalence rate is increasing, secondly, the number of orphans and vulnerable children is also increasing, which in turn increase the demand for care and support for people infected and affected by HIV and AIDS is putting strain on public health and social services, and particularly basic amenities across our Municipalities and beyond.

This conditions affects all of us and therefore a cross cutting, collective response is necessary to turn around this negative spiral, threatening human existence.

We are confident that the recent- nation wide campaign championed by Minister Motsoaledi, to encourage all citizens to test and check their HIV status will go a long way towards inculcating a sense of responsibility, promote healthy lifestyles and behavior amongst all of us and most significantly help understand the extent of the problem so that we can employ required resources to full wage the war against this pandemic.

As a Municipality we shall continue to support the Local AIDS Council, coordinate and implement necessary public education programmes, promote and support care and support programmes for orphans and vulnerable children, build strategic community based partnerships in the continued fight against the HIV and AIDS pandemic.

I wish to acknowledge the work and selfless commitment of Home and Community Based Care Givers and volunteers in providing unconditional care and support to all people in need of care and support, orphans and vulnerable children, infected and affected within our Municipality and beyond. We are aware of the difficult circumstances and conditions under which you provide services to our people.

As a Municipality, in partnership with the Department of Health and Social Development and other social and private partners we shall continue to work together to ensure that you get the required support to be effective in discharging your duties.

Status of 2009-2010 Infrastructure Projects

No	Description	Budget	Progress
1	Dzanani Town Side Walk	5,000 000	80% complete project to be completed end June 2010
2	Malonga Hanani Low Level Bridge	500,000	90% complete
3.	Murunwa HaMutswana Low Level Bridge	500,000	65% complete and to be completed end June 2010
4.	Tshitavha Street Repairs and Reseal	4,000,000	Project handed over to contractor
5.	Upgrading of Rabali Stadium	2,000,000	Project on hold due to increase in scope of the works.
6.	Low Level Bridge Matsa Phaphani	500,000	65% complete and to be completed end of June 2010
7.	Culvert Bridges: Tshivhuyuni, Mbokota, Madadzhi and Muwaweni	1,500,000	30% complete and the project is a multi year project to be completed in November 2010
8.	Office Block: Civic Centre	4,900,000	Design stage
9.	Upgrading surfacing of streets: Waterval	1,000,000	On tender stage to procure Contractor
10.	Vuwani Internal Streets- phase 2	5,000,000	30% complete and the project is a multi year to be completed in November 2010
11.	Matanda, Rabali Storm Water Bridge	750,000	85% complete and project to be completed end of June 2010
12.	Dzanani Testing Station	3,000,000	20% complete, multi year project to be completed in October 2010
13.	Makhado Storm Water (Eltivillas Ext)	2,622,818	65% complete and to be completed end of July 2010
14.	Apollo Lights (Vuwani/Dzanani)	2,000,000	Procurement of contractors

BUDGET ESTIMATES FOR 2010-2011 FINANCIAL YEAR

CAPITAL ESTIMATES

The proposed Capital Estimates for 2010/2011 financial year is R165 519 116. It is proposed that the Capital Budget be financed as follows:

	SOURCE	DRAFT BUDGET
Operational Income	INCOME	R81 403 116
INEP	INEP	R 9 719 000
Municipal Infrastructure Grant	MIG	R 46 197 000
Municipal System Improvement Grant	MSIG	R 200 000
NEW LOAN	NEW LOAN	R 28 000 000
TOTAL	TOTAL	R 165 519 116

The following Capital Projects will be funded by the Municipal Infrastructure Grant (MIG) during the 2010/11 Financial Year:

PROJECT NAME		BUDGET
TSHAKHUMA RING ROAD	MIG	R 16,000,000.00
ELIM TAXI RANK AND BUS TERMINAL	MIG	R 0.00
VUWANI INTERNAL STREETS PHASE 2	MIG	R 4,500,000.00
DZANANI TESTING STATION	MIG	R 3,000,000.00
TSHIVHUYUNI, MBOKOTA, MADADZHI AND MUWAWENI CULVETS BRIDGES	MIG	R 4,500,000.00
ELTIVILLAS EXT1, TARRING OF STREET (BENGAL, TULS, RAM AND TAJ STREETS)	MIG	R 5,000,000.00
TSHIKOTA UPGRADING OF STREETS	MIG	R 5,500,000.00
WATERVAL GRAVEYARD AND ACCESS ROAD	MIG	R 1,500,000.00
MUNZHEDZI GRAVEYARD AND ACCESS ROAD	MIG	R 1,000,000.00
TIYANI UPGRADING OF SPORTS FIELDS	MIG	R 1,000,000.00
MURUNWA ACCESS ROAD AND BRIDGE		R 2,000,000.00
APPOLLO LIGHT, MADOMBIDZHA, RATHIDILI AND TSHIOZWI	MIG	R 2,167,000.00
TOTAL		R 46,167,000.00

Operational Budget

The projected income for 2010/11 financial year is R 608, 450,033. The income has increased substantially as a result of equitable share grant allocation as per Division of Revenue Bill 4 of 2010 from R 152,353,000 in 2009/2010 financial year to R185, 483,000.00 in 2010/2011 financial year. The tariff increment has been provided for as per guidelines received on the predicted trends in the Inflation Forecast (CPIX) and the guidelines on electricity issued by National Electricity Regulator (NERSA).

The salaries and wages are budgeted for at an overall increment rate of 7.7% as guided by MFMA Circular No.51 issued by the National Treasury.

The following programmes and activities will be funded under council's general expenditure during 2010/2011 financial year:

HIV/AIDS	R 310 000
Sports and Youth	R 590 000
Elderly and Disabled People	R 630 000
Women and Children	R 920 000
Disaster	R 500 000
Bursary	R 300 000
Mountain Marathon	R 7 900
Tourism	R 200 000
Dzata museum	R 100 000
Kremetart Cycle Tour	R 9 700
Hangklip 54 Golf Tournament	R 16 000
Bosveld Marathon	R 7 900
Land of Legend Marathon	R 7 900
Makhado Football Association	R 18 500
Contribution to Entrepreneurs Week	R 10 000
Training	R 2 050 000
IDP	R 350 000
LED	R 400 000
Marketing	R 115 000
Wards Committees	R 900 000

PROPOSED TARIFF INCREASES: The proposed tariff increase on other services are as follows:

- Refuse Removal services - 6.25%
- Electricity - 22 %
- Water - 6.25%
- Sewer -6.25%
- Sundry Tariffs - 6.25%

- **Summary of Revenue and Operational Expenditure figures attached as Annexure A**

CONCLUSION

Let me take this opportunity to thank each one of you attending this profound gathering, and all of us must know that what appears today to be a sacrifice will prove instead to be the greatest investment in our shared future.

I specifically want to hail the unwavering support demonstrated by Vho Thovhele Khosikhulu Vho Toni Mphephu, and all our chiefs who continue to provide unselfish and noble wisdom and leadership, which is radiant in all our efforts to fight against poverty and underdevelopment.

I would like to thank all members of Ward Committees, NGO's and CBO's, leaders of our community structures for their patriotic service to all our people. As in the words of Dr Martin Luther King Jr. that **“ all labor that uplifts humanity has dignity and importance and should be undertaken with painstaking excellence”** end quote.

I want to extend a special thank you to all the members of the Audit Committee and Oversight Committee, for their courageous determination and leadership demonstrated to ensure that we remain accountable and focused on our developmental goals.

Poverty is everyone's problem. It cuts across any line you can name: age, race, social, geographic or religious. Whether you are black or white; rich, middle-class or poor, we are ALL touched by poverty.

The test we must set for ourselves is not to march alone but to march in such a way that others will wish to join us. As we approach the next coming local government elections, we must make sure that we engage our communities more openly, honestly and with sincere integrity, so that “together” we can confront all forms of injustices, poverty and unemployment.

Comradely' salute to all members and leadership of the ANC, SACP, SANCO and COSATU and other political parties for their revolutionary support.

Lastly, I want to thank all my colleagues, Councilors , members of the Executive Committee, leaders of Portfolio Committees, the executive and administrative management and all staff of Makhado Municipality, for your continued and selfless support towards a better life for all our people.

I also want to thank my family and friends, pastors, elders and all those who continue to be a pillar of my personal, spiritual and emotional strength, intelligence and wisdom.

**“Kindness is an inner desire that makes us want to do good things even if we do not get anything in return. It is the joy of our life to do them. When we do good things from this inner desire, there is kindness in everything we think, say, want and do”.-
Emmanuel Swedenborg**

Thank you, Baie Dankie, Ndo livhuwa, Ni khensile, Ke a Leboga,

AMANDLA

END!!

ANNEXURE A

REVENUE	ORIGINAL 2009/2010		ADJUSTED 2009/2010		DRAFT BUDGET 2010/2011	
Rates	R31 072 000	6.69%	R 31 072 000	6.45%	R 33 014 100	5.42%
Electricity	R178 669 000	38.45%	R 182 024 000	37.81%	R 232 564 157	38.22%
Water	R17 815 000	3.83%	R 18 416 000	3.83%	R 19 565 100	3.21%
Sanitation	R11 672 000	2.51%	R 11 672 000	2.42%	R 12 401 100	2.03%
Refuse	R 6 194 000	1.33%	R 6 194 000	1.29%	R 6 581 000	1.08%
Other	R 13 537 000	2.91%	R 13 951 000	2.90%	R 31 909 576	5.24%
Interest-Investment	R 3 214 000	0.69%	R 3 214 000	6.68%	R3 444 000	0.56%
Interest-Debtors	R 1786 000	0.38%	R 6 448 000	1.34%	R9 888 000	1.62%
Fines	R 2 989 000	0.64%	R 2 989 000	0.62%	R3 175 000	0.52%
Licenses and Permit	R 12 004 000	2.58%	R 12 004 000	2.49%	R 12 754 000	2.09%
Grants	R 185 709 000	39.97%	R 193 456 000	40.18%	R243 154 000	38.48%
TOTAL	R 464 661 000		R 481 440 000		R 608 450 033	

DETAILS	ORIGINAL BUDGET 2009/2010	ADJUSTED 2009/2010	BUDGET	DRAFT 2010/2011	BUDGET
INCOME	R-464,660,638	R- 481,440,279		R -608 450 033	
EXPENDITURE					
Salaries, Wages and Allowance	R 161,596,776	R 186,170,624		R 234 196 635	
General expenses	R 85,774,864	R 92,100,808		R107 365 207	
Repairs Maintenance	R 35,151,321	R 40 514 030		R 48 628 712	
Capital Charges	R 8,298,114	R 1,411,147		R 4 695 494	
Depreciation	R 65,580,000	R 65,580,000		R 60 000 000	
Capital Contribution	R 66,089,000	R 68,104,240		R 82 704 870	
Fund Contribution	R 11,482,026	R 11,482,026		R 11 582 026	
Bulk Purchases	R 87,633,944	R 94,502,373		R100 061 403	
TOTAL EXPENDITURE	R 521,606,045	R 559,865,248		R 649 234 347	
Recharges Water and Sewerage	R- 42,544,626	R- 53,463,963		R- 62 874 443	
Surplus/Deficit	R 14,400,781	R 24,961,006		R-22 090 129	
Plus Contribution to capital projects	R 45,353,300	R 40,353,000		R 84 116 000	
Total (Surplus/Deficit)	R 59,754,081	R 65,314,006		R 62 025 871	
Transfer from Grant Reserve	R 13,500,000	R- 13,500 000		R- 10 500 000	
Capitalisation reserve	R- 8,800,000	R- 8,800,000		R -7 700 000	
Accumulated Surplus	R- 37,700,000	R- 43,280,000		R -43 949 446	
Overall Surplus	R -245,920	R -265,994		R -123 575	

