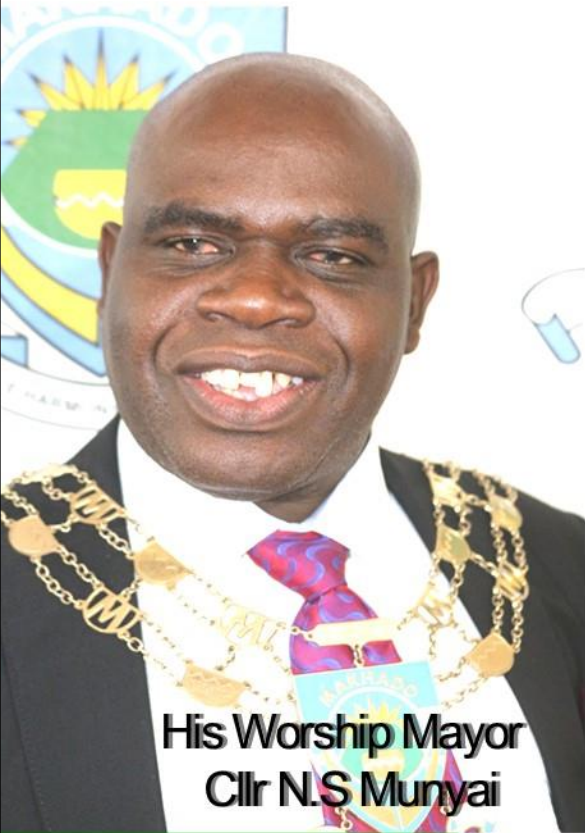




# Makhado Local Municipality State of the Municipality Address



His Worship Mayor  
Cllr N.S. Munyai

## Budget Speech 2021/2022



The Year of **Charlotte Mannyka Maxeke**: Growing youth employment for an inclusive and transformed society

#YOUTHMONTH2021  
#LIMITLESSYOUTH



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PRESIDENTIAL  
YOUTH  
EMPLOYMENT  
INTERVENTION



**2021/2022 BUDGET SPEECH PRESENTED BY HIS WORSHIP MAYOR  
CLLR NS MUNYAI**

**HONOURABLE SPEAKER, CLLR L.B MOGALE**

**THE CHIEF WHIP, CLLR M.D MBOYI**

**MEMBERS OF THE EXECUTIVE COMMITTEE**

**COUNCILLORS**

**WARD COMMITTEE MEMBERS**

**OUR TRADITIONAL LEADERS**

**SENIOR MANAGEMENT AND STAFF OF MAKHADO MUNICIPALITY**

**VARIOUS STAKEHOLDERS PRESENT**

The people of Makhado joining us on social media as we leverage on Phalaphala FM and Munghana Lonene FM, including various local community radio stations.

**Good Afternoon**

**Goeie Middag**

**Ndi Masiari**

**Nhlelani**

I greet you all at a time when our nation is still in the midst of the global Covid-19 Pandemic. The economy has been in a very serious strain ever since.

We acknowledge and appreciate the support packages provided by our caring government to different sectors of the economy and trust this has made a huge difference to the lives of those who have been gravely affected by this pandemic.

The role our communities have played to support social services in providing food parcels and bare necessities to our vulnerable communities is testimony of a caring community across social culture and ethnic boundaries.

We take this opportunity to wish those who tested positive a speedy recovery and condolences to families who have lost their loved ones to this deadly pandemic.

Let's continue to observe social distancing, wearing of masks properly all the time, washing of hands regularly and staying at home as much as possible to avoid a further curve that will culminate into a third wave.

Ri khou tutuwedza vhadzulapo uri vha ye u hayeliwa u itela u ditsireledza kha tshitzhili tsha COVID 19. Nga maanda vhathu vha minwaha ya 60 na u fhira sa izwi hu tshone tshifhinga tshavho tsha u dinwalisa na u hayeliwa. Zwazwino tshivhalo tsha vhathu vhane vha khou kavhiwa nga tshitzhili itshi tshi khou gonya duvha na duvha na kha masipala washu. Ri khou livhuwa vhadzulapo vha masipala washu vhe vha vha vho ya u hayeliwa kha zwititshtshi zwa Makhado.

Zwe zwa vha zwo vula u bva nga Lavhuvhili u swika mulovha. Tshititshi tshine tsha wanala fhala holoni yashu ya Muduluni tshi do dovha tsha vula nga Musumbuluwo na Lavhuvhili la vhege I daho . Vhathu kha vha ye u hayeliwa.

### **The storm shall pass! We will never be the same again.**

In this digital age, we are able to consult our communities and stakeholders through various platforms.

The Municipality is today presenting a budget that took all factors into consideration. We must be honest; the state of the economy has made it very difficult to put this budget together.

The Municipality has also under these trying circumstances strived to put together a realistic, credible and funded budget.

It is a budget that it is carefully crafted to ensure we respond to the immediate needs of the poor and vulnerable as well as to continue to provide reliable and efficient services to residents of Makhado.

We are making a clarion call and appeal to those that can afford to pay services to do the right thing, for those who are going through financial difficulties especially now during the pandemic to please make the necessary arrangements with our administration. We would like to thank our paying residents for paying their bills regularly.

Zwi a vhavha u vhona u hulela ha zwiwo zwa u tambudzwa ha vhana hune ha khou bvelela zwikoloni nga maanda kha vhana vha vhasidzana. Vhana vha khou tambudzana nga tshavho vha dovha vha tambudzwa nga vhadededzi vhavho.

A hi endleni hi matimba tani hi rixaka ku vona leswaku swiendlo swa muxaka lowu swi hela. Hi nga tumbeti swendlo leswi, a hi swi humeseleni a rivaleni hi tlhela hi swi rhipota eka tihofisi leti nga fanela.

Dzikhakhathi dza mitani na dzone kha ri ise phanda na ulwa nadzo uswika ri tshi kunda, ri rothe ri nga si balelwe.

Last year I asked the Municipal Manager and his team to ensure that we strive for the improvement of the audit opinion and the team did just that. We are proud that we managed to achieve **Unqualified Audit Opinion** with findings in the 2019-2020 financial year. A big shout out to the Acting Municipal Manager Mr Kent Mbavhalelo Nemaname and his team.

I am appealing to you to put more efforts for the municipality to get the clean audit opinion in the 2021/2022 financial year.

Makhado Municipality is committed and taking a huge role in the education of our children.

Makhado Local Municipality has allocated 37,5 hectares to the University of Venda for the purpose of establishing a satellite Campus and student accommodation at Farm Bergvleit 288 LS known as Extension 13.

The Municipality has since signed a Memorandum of Understanding (MOU) with the University of Venda. We are currently in the final stages of Township Establishment at Extension 13 so that the University can start its processes of Developing a campus.

I would like to appreciate the sterling performance of the matric class of 2020. They did exceptionally well even under the trying time due the COVID – 19 pandemic. I wish them well in the current academic year.

The Municipality also has an annual Mayoral Bursary that assist needy students from disadvantaged family background. We assist about 15 students annually. Advertisement for applications for this bursary opens in October and closes on the 31<sup>st</sup> of December every year.

In order to make Library services easily accessible to our community, we are also establishing our 9<sup>th</sup> satellite Library which is located at Ha-Mutsha Community Hall.

We are expecting it to become operational in the next 2021/2022 financial year.

### **Fellow residents,**

As we have already alluded that our economy is under a very serious strain, we hopefully believe that the Musina / Makhado Special Economic Zone will be able to boost the economy and create more jobs for our people.

As we are presenting this budget during Youth Month we are quite considerate that most of our youth are unemployed. The municipality is encouraging young people to club themselves together and form cooperatives.

Through the Municipality's Local Economic Development Programme, we have managed to assist the following cooperatives:

No	Name of programme/project	Ward	Number of jobs created
1	Staanop Multipurpose Cooperative (fully equipped borehole)	09	06
2	Tshivhangani Ntsevhele cooperative(Agricultural implements)	12	08
3	Mulima Pfananani Cooperative(Agricultural Implements)	Ward 18	07
4	Buysdorp Agricultural Cooperative	Ward 25	03

5	Chemby Agricultural Cooperative(irrigation system)	Ward 24	09
6	Vhumatshelo Crop Farming Cooperative(Agricultural implements)	Ward 23	07

In an effort to enhance service delivery for our people, we bought the following vehicles and machinery:

5 X COMPACTOR TRUCKS

6 X RIGID TRUCKS (SKIP LOADER)

3 X DROP SIDE TRUCKS

2 X TIPPER TRUCKS

2 X POLO SEDAN

1 X POLE CARRIER TRUCK

1 X WATER TANKER

1 X QUANTUM

1 X MOTOR GRADER

1 X FORKLIFT

**Fellow residents, some of the MIG & CAPITAL FUNDED PROJECTS that were implemented in the past year include the following:**

	<b>Project Description</b>	<b>Progress to Date</b>
	7	
<b>PROJECTS ON CONSTRUCTION STAGE</b>		
1.	Construction of Admin Block at Testing Ground	The project is currently at 16%
2	Rathidili Incubation Centre	The project is currently at 20%
3	Tshakhuma fruit market Phase 1	Project is 100% complete and is currently on defects liability period
4	Tshakhuma fruit market Phase 2	The project is currently at 16%
5.	Rehabilitation of Dzanani Streets (Biaba)	The project is currently at 63.5 %
6	Fencing of N1 Tourism Park Inclusive of Arts and Craft Centre	Project is 100% complete and currently is on defects liability period
7	Tshedza to Vuvha Access Road Phase 3	The project is currently at 63%
8	Waterval Sports Facility Phase 3	The project is currently at 75%
9	Valdezia Xitacini to Jiweni Access road Phase 3	The project is currently at 75%
10	Gombiti, Tshivhuyuni to Mamphagi Road Phase 3	Construction is at 98%
11	Fencing of Makhado Municipality Cemetery	Construction - Gogobole = 100% ; Phadzima = 80% -; Raliphaswa = 70%; Vleifontein = 95% ; Tshivhade = 100%; Pfananani = 41,2%; Mashau Matanda = 100%;
12	Sane to Natalie Bridge	The project is currently at 18%
13	Tshikwarani to Zamkomste Road Phase 3	Project is 100% completed and currently is on defects liability period
14	Rivoni to Xihlobyeni Access road	The project is currently at 6%

<b>PROJECTS ON DESIGN PROCESSES</b>		
15	Four ways stop pavement at Baobab Street	Tender has already been advertised.
16	Rehabilitation of Vlei street	Consultant appointed. Inception/feasibility study is done. Design is on progress
17	Rehabilitation of Kruger Street	Consultant appointed. Inception/feasibility study is done. Design is on progress
18	Mudimeli stormwater	Tender has already been advertised.
19	Refurbishment of Waterval regional office	Consultant appointed. Identification of Scope is done and Draft detail tender document is on progress
20	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	Consultant appointed. Inception/feasibility report is done and design is on progress
21	Erf 210 Burger Street market revitalization project	Consultant appointed. Design completed and Tender to be advertised before end of June 2021
22	New Council chamber and offices	Detail design is on progress
23	Kutama / Sinthumule Sports Facility	Detail design completed, project is awaiting MIG registration process
24	Rehabilitation of Joe Slovo street at Vleifontein proper design	Consultant appointed. Inception/feasibility report done, currently is on design study.
25	Refurbishment of Emerentia sub station building	Consultant appointed. Currently on inception/feasibility study stage. The design will follow after.
26	Waterval Clinic road to Waterval ring road	Consultant appointed. Currently on inception/feasibility study stage



27	Upgrading of Waterval Cemetery road	Consultant appointed. Currently on inception/feasibility study stage
28	Lutanandwa Access Road and bridge	Contractor appointed. Site handover to be held next week.
29	Main and Commercial Streets	Consultant appointed. Currently on inception/feasibility study stage.

### **Fellow residents,**

Section 24 (1) of the Municipal Finance Management ACT and Circular 107 and 108 of the National Treasury specifically dictate that the council of a municipality must for each financial year approve an annual budget for the municipality 30 days before the start of the new financial year.

It is against this background that we present the 2021/2022 annual budget after it was considered and approved by the council of your municipality.

### **In moving to the next financial year,**

The final Operational Revenue budget for 2021/22 amounts to **R 1 201 834 billion**.

The Operational expenditure budget 2021/22 amount to **R 1 111 661 billion**

The operational Expenditure include the non- cash item amounting to **R104 000 million** for Depreciation and **R 57 934 million** for Assets and debt impairment.

The Final Capital budget estimates for 2021/2022 amounts to **R 424 622 million**

**The total overall expenditure budget for 2021/22 is R1.536 billion**

## MAJOR PROJECTS ON FINANCIAL PERFORMANCE

- Other expenditure has been budgeted at an amount of R 113 269 million. This include stores issues, general expenditure, RAL related projects, roads and electricity maintenance.
- Contracted service has been budgeted at an amount of R 111 277 million. This includes the budget for the Demarcation of sites and survey for township establishment, and covid-19 related budget.
- Capital projects not completed from municipality own funds amounting to **R 45 million** have been rolled over to the 2021/2022 Budget year.
- Other income has been budgeted at an amount of R203 million and it includes projected income of R142 million to be generated through the sale of New residential stands. The area affected are (South of Pretorius Street, Louis Trichardt township, Dzanani Township and Tshikota Extension 1 Township).

The total grants that are going to be received by Makhado Municipality in 2021/22 amount to **R 511 941 million** and are detailed as follows:

- 1) From the national treasury, we shall receive the Equitable Share of **R 401 747 million**
- 2) From the Municipal Infrastructure Grant, we shall receive **R94 768 million**
- 3) From the Financial Management Grant we shall receive **R1,850 million**
- 4) From the Expanded Public Works Program, we shall receive **R2,280 million**
- 5) From INEP we shall receive **R11 296 million**

An amount of **R12, 300 million** has been allocated for the **following Local Economic Development** projects.

NO	PROJECT DESCRIPTION	BUDGETED AMOUNT 2021/22
1	SMME'S Support	R 600 000
2	Township Establishment (Makhado Area)	R 4 000 000
3	Poverty alleviation	R 2 00 00 00
4	Township Establishment (Land Survey)	R 1 000 000

	Township Establishment (Town planning)	R 1 200 000
5	Demarcation of sites (Land Survey)	R 1 500 000
	Demarcation of sites (Town planning)	R 2 00 00 00
	<b>TOTAL</b>	<b>R 12 .3 million</b>

**Fellow residents, the total CAPITAL EXPENDITURE for the next financial year per department is R 424 622 million and is divided as follows:**

SUMMARY PER FUNCTION in R'000	SOURCES	Final Budget 2021/2022
ELECTRICITY	GRANT ( INEP )	R 11 296 Million
ELECTRICITY	INCOME	R 106 221 Million
BUILDING	INCOME	R 31 180 Million
ROADS	GRANT ( MIG )	R 57 999 Million
ROADS	INCOME	R 187 501 Million
CORPORATE SERVICES	INCOME	R 6 850 Million
FINANCE AND ADMINISTRATION	INCOME	R 14 800 Million
WASTE MANAGEMENT	INCOME	R 4 000 Million
COMMUNITY SERVICES	INCOME	R 4 775 Million
<b>TOTAL</b>		<b>R 424 622 million</b>

**With the INEP Grant, the following projects will be implemented in the next financial year:**

- Muananzhele phase 4 will receive R 6 400 000,00 and 356 households will benefit.
- Upgrading of the Makhado main substation, R4 896 000,00.

**In the next financial year, the major highlights of this Capital Budget which will be funded with the Municipal Infrastructure Grant (MIG) allocation are as follows:**

### **2021/2022 MIG & CAPITAL BUDGET FUNDED PROJECTS**

	<b>Name of Project</b>	<b>Budget</b>
1	Fencing of Makhado municipality cemeteries	1 500 000,00
2	Landfill site makhado + recycling centre Phase 3 (Regravelling)	3 208 284,27
3	Lutanandwa Acces Road & Bridge	15 000 000,00
4	Rivoni to Xihobyeni Access road	25 028 809,56
5	Sane to Natalie Bridge	13 262 353,01
6	ERF 10 Burger street Market stalls	6 000 000,00
7	Mudimeli stormwater	2 500 000,00
8	Construction of Admin Block at Testing Ground	10 387 065,05
9	Rathidili Incubation Centre	6 084 501,60
10	Tshakhuma fruit market Phase 2	10 663 677,23
11	Sane to Natalie Bridge	5 000 000,00
12	Rehabilitation of Dzanani Streets (Biaba)	2 000 000,00
13	Rehabilitation of Djunane street at Waterval Township for proper design	2 000 000,00
14	Tshikwarani to Zamkomste Road Phase 3	2 600 000,00
15	Renovation Dzanani Regional Office building	600 000,00
16	Upgrading of Sane to Natali Road	2 000 000,00
17	Rehabilitation of Joe Slovo street at Vlifontein	12 000 000,00
18	Valdezia Xitacini to Jiweni access road Phase 4	3 000 000,00
19	Rehabilitation of Waterval streets	7 000 000.00
20	Upgrading of Waterval Clinic ring road	1 200 000,00

21	Upgrading of Waterval Cemetery road	5 000 000,00
22	Mingard Bridge & Access road to Mbhokota entrance	1 200 000,00
23	Luvhalani to Dzananwa Access Road	1 200 000,00
24	Makatu to Tshikota Access Road	1 200 000,00
25	Tsianda (Marundu to Military Base) Access Road	1 200 000,00
26	Rehabilitation of Kruger street	5 000 000,00
27	Rehabilitation of Vlei street	5 000 000,00
28	Refurbishment of Waterval regional office	2 500 000,00
29	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	1 500 000,00
30	Commissioner & Main street Intersection rehabilitation and stormwater (ELTIVILLAS)	3 000 000,00
31	Emerentia substation refurbishment - building.	2 000 000,00
32	Rehabilitation of old landfill site (Vondeling) Phase 2 (Construction of evaporation pond, ablution facilities, planting vegetation, drainage and storm water systems)	3 000 000,00
33	Development of roads and stormwater at Dzanani Township (Biaba) 200 stands	21 250 000,00
34	Development of roads and stormwater at South of Pretorius 700 new stands and Tshikota 164 new stands	42 500 000,00
35	Refurbishment of 6x drop off points ( waste management)	500 000,00
36	Four ways stop paving of road at Baobab street	3 000 000.00

37	Tshedza to Vuvha Access road Phase 3	32 292 553,16

**Fellow residents, Council has considered the following tariff increases for 2021 / 2022. This was done in line with national legislative guidelines:**

<b>SERVICE</b>	<b>2021/2022</b>
Electricity	14.59%
Property rates	3.90%
Other services	3.90%

Copies of proposed increase of municipal tariffs will be made available to members of the public.

The General expense (contracted services and operation and maintenance materials) have been provided for at **R 224 546 million in 2021/2022** financial year operational estimates.

The salaries and wages have been budgeted for at an overall increment rate of 6.25% and new vacant post from the Fixed Staff Establishment approved in the 2021/2021 financial year have been budgeted for in this budget.

The total salary bill to the amount of **R 338 896 million** is estimated for the 2021/2022 financial year. This represents 30% of the Total operating budget.

I hereby submit to the community of Makhado Municipality the 2021/2022 Annual Budget.

This budget will be a yardstick to measure our performance as a Municipality and we trust that our communities will continue to participate in the forthcoming public participation meetings in order to monitor the progress in this regard.

Copies of the annual budget will be placed on our website and shared on various digital and social media platforms, so that our communities can continue to refer to these documents and hold Council accountable.

### **Tsha u fhedzisela**

**Ndi tama u livhuwa lihora la African National Congress na vhashumisani nalo vha dzi Alliance kha uri tikedza na u sumba ndila Khansele uri ri konou swikelela zwipikwa zwa Freedom Charter.**

**Ndi tama u dovha nda livhuwa vhashumisani, Makhanselara, Membara dza EXCO, Vharangaphanda vha dzi Portfolio Committee, na vhaofisiri vhashu vho rangiwaho phanda nga Acting Municipal Manager na vhashumi vhothe vha masipala ngau angaredza khau didina havho u shumela lushaka.**

**Ri dovha ra livhuwa vho Freddy Tshivhengwa vhe vha vha vhe Minidzhere wa masipala vhe ra shumisana zwavhudi navho u swika vha tshi ya u shuma kha CoGHSTA hangei Polokwane.**

**Sa Masipala ri pfa ro xeletwa nga uri sia ha Makhanselara ashu mavhili vho Ndwakhulu Albert Mafhala na vho Avhafunani Germinah Rashamuse. Ro dovha ra siiwa nga vhaofisiri vhashu vha vhili, vho Castro Mathonsi vhe vha vha vhe minidzhere ofisini ya vho Meyara na vho Gladys Mabila vhe vha vha vhe Regional Administrator wa Dzanani.**

**Vhathu vha ye u dinwalisela dzikhetho kha zwititshi zwa vhukhethelo zwavho nga dzi 17 na dzi 18 dza July 2021 ri tshi itela dzikhetho dza mivhuso yapo dzine dza do farwa nga ndzi 27 dza October nanwaha.**

**Ndi a livhuwa!!**