

**Steve Tshwete
Local
Municipality**



MP313

**Annual Budget
2011/12 to 2013/14**





STEVE TSHWETE MUNICIPALITY

VISION

To be the best community driven local municipality in the world in the provision of sustainable services and developmental programmes.

MISSION

The Steve Tshwete Local Municipality is committed to the total well being of all its citizens through:

- The rendering of affordable, cost-effective, accessible, efficient and quality services for present and future customers;
- The maximizing of infrastructural development through the utilisation of all available resources;
- Improving the quality of life by co-ordinating gender and social development programmes;
- The implementation of effective management systems and procedures;
- The creation of an enabling environment for local economic development;
- Ensuring effective co-operation with relevant stakeholders;
- To ensure skilled, motivated and committed work force; and
- Compliance with the Batho-Pele Principles.

CORE VALUES & PRINCIPLES

- To always treat everyone with dignity and respect.
- To perform our duties with integrity, honesty and diligence.

STEVE TSHWETE LOCAL MUNICIPALITY
ANNUAL BUDGET 2011/2012 - 2013/2014

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ABBREVIATIONS OF SOURCES OF FUNDING

CRR	Capital Replacement Reserve
CRR (Ad Hoc)	Capital Replacement Reserve (Ad Hoc)
CRR (Rev)	Capital Replacement Reserve (Revenue)
CRR (Services)	Capital Replacement Reserve (Services)
CTC	Cleanest Town Competition
DAC	Department of Arts & Culture
EFF	External Financing Fund
EPWP	Expanded Public Works Programme
INEP	Integrated National Electricity Program
MACEF	Municipal Accreditation Capacity Enhancement Funding
MIG	Municipal Infrastructure Grant
MSIG	Municipal Systems Improvement Grant
NLDTF	National Lottery Distribution Trust Fund
NDPG	Neighbourhood Development Partnership Grant
RG	Restitution Grant

Functional Codes

National Treasury Functions	Main	Sub	Votes	Council Functions	New Main	New Sub	IDP CODE
EXECUTIVE & COUNCIL	EX				EX		
EXECUTIVE & COUNCIL	EX	EX	100	COUNCILS GENERAL	EX	MC	GG1
	EX	EX	105	MAYORAL ADMINISTRATION	EX	MC	GG1
MUNICIPAL MANAGER	FA	OA	108	INTERNAL AUDIT	EX	MM	GC1
	EX	EX	110	MUNICIPAL MANAGER	EX	MM	GC1
	FA	OA	111	MANAGER PUBLIC SERVICES	EX	MM	GC1
	FA	OA	112	TECHNICAL AND FACILITIES MANAGER	EX	MM	GC1
	FA	OA	113	MANAGER CORPORATE SERVICES	EX	MM	GC1
	EX	EX	120	TOWN SECRETARY	EX	MM	GC1
	EX	EX	123	VALUATIONS	EX	MM	GC1
BUDGET & TREASURY OFFICES					BT		
BUDGET & TREASURY	FA	FI	170	ASSESSMENT RATES	BT	BT	FV1
						BT2000	PA1
	FA	FI	200	MANAGER:FINANCE	BT	BT	FV1
CORPORATE SERVICES	FA				CO		
HUMAN RESOURCES	FA	HR	141	HUMAN RESOURCES	CO	HR	GC1
INFORMATION TECHNOLOGY	FA	IT	122	INFORMATION TECHNOLOGY	CO	IT	GC1
PROPERTY SERVICES	HS	HS	125	PERSONNEL HOUSING	CO	PY	SD1
	FA	PY	150	MUNICIPAL BUILDINGS	CO	PY	SD1
	FA	PY	151	MUNICIPAL OFFICES: MHLUZI	CO	PY	SD1
	FA	PY	152	MUN.OFFICES:NASARET	CO	PY	SD1
	FA	PY	153	24 HOUR CONTROL CENTRE	CO	PY	SD1
	FA	PY	154	MUNICIPAL OFFICES HENDRINA/KWA	CO	PY	SD1
	FA	FI	171	COAL RESERVES	CO	PY	SD1
	HS	HS	451	HOSTELS:RENT UNITS	CO	PY	SD1
	FA	PY	554	SERVICE CENTRE	CO	PY	SD1
	FA	PY	555	FIXED PROPERTY	CO	PY	SD1
	FA	PY	558	SHOW GROUNDS	CO	PY	SD1
	FA	PY	630	SALE OF LAND MIDDELBURG TOWNLANDS	CO	PY	SD1
	FA	PY	651	SALE OF LAND MHLUZI EXT 2	CO	PY	SD1
	FA	PY	653	SALE OF LAND MHLUZI EXT 4	CO	PY	SD1
	FA	PY	654	SALE OF LAND MHLUZI EXT 5	CO	PY	SD1
	FA	PY	655	SALE OF LAND MHLUZI EXT 6	CO	PY	SD1
	FA	PY	657	SALE OF LAND MHLUZI EXT 8	CO	PY	SD1
	FA	PY	660	SALE OF LAND MHLUZI EXT 3	CO	PY	SD1
	FA	PY	662	SALE OF LAND KWAZAMOKUHLE EXT 3	CO	PY	SD1
	FA	PY	663	SALE OF LAND EASTDENE	CO	PY	SD1
	FA	PY	664	SALE OF LAND HENDRINA TOWN	CO	PY	SD1
	FA	PY	665	SALE OF LAND HENDRINA EXT 1	CO	PY	SD1
	FA	PY	666	SALE OF LAND MIDDELBURG EXT 11	CO	PY	SD1
	FA	PY	667	SALE OF LAND MIDDELBURG EXT 24	CO	PY	SD1
	FA	PY	669	SALE OF LAND AERORAND	CO	PY	SD1
	FA	PY	671	SALE OF LAND MIDDELBURG EXT 16	CO	PY	SD1
	FA	PY	673	SALE OF LAND MIDDELBURG EXT 18	CO	PY	SD1
	FA	PY	674	SALE OF LAND MIDDELBURG EXT 21	CO	PY	SD1
	FA	PY	676	SALE OF LAND MIDDELBURG EXT 23	CO	PY	SD1
	FA	PY	678	SALE OF LAND KWAZAMOKUHLE EXT 6	CO	PY	SD1
	FA	PY	681	SALE OF LAND EASTDENE 1	CO	PY	SD1
	FA	PY	683	SALE OF LAND MIDDELBURG EXT 26	CO	PY	SD1
	FA	PY	690	SALE OF LAND NASARET	CO	PY	SD1
	FA	PY	691	SALE OF LAND NASARET EXT 1	CO	PY	SD1
	FA	PY	692	SALE OF LAND KWAZA PROPER	CO	PY	SD1
	FA	PY	693	SALE OF LAND KWAZA EXT 5	CO	PY	SD1
OTHER ADMIN	FA	OA	118	MIG PROJECT MANAGEMENT UNIT	CO	OA	GC1
	FA	OA	121	COMMUNICATIONS	CO	OA	GC1
	EX	EX	130	GRANTS-IN-AID AND DONATIONS	CO	OA	GC1
	FA	FI	205	FINANCIAL DATA PROCESSING	CO	OA	GC1
	FA	FI	210	FINANCIAL MANAGEMENT GRANT(FMG)	CO	OA	GC1
	FA	FI	211	MSIG GRANT	CO	OA	GC1
	CS	HA	213	VUNA AWARDS	CO	OA	GC1
	FA	FI	215	LGTF GRANT	CO	OA	GC1
	FA	FI	230	STORES	CO	OA	GC1
	FA	FI	250	INSURANCE	CO	OA	GC1
	FA	OA	311	SECURITY SERVICES	CO	OA	GC1
	FA	OA	500	CIVIL ENGINEERING SERVICES	CO	OA	GC1
	FA	OA	575	WORKS TRANSPORT	CO	OA	GC1
PLANNING & DEVELOPMENT	PD				PD		
PLANNING & DEVELOPMENT	PD	IP	114	INTEGRATED DEVELOPMENT PLAN (IDP)	PD	IL	EG1
	PD	LD	124	LOCAL ECONOMIC DEVELOPMENT (LED)	PD	IL	EG1
	PD	LD	214	LED GRANT	PD	IL	EG1
	PD	PL	502	TOWN PLANNING	PD	PL	EG2

National Treasury Functions	Main	Sub	Votes	Council Functions	New Main	New Sub	IDP CODE
HEALTH	HL				HL		
HEALTH OTHER	HL	HO	400	HEALTH SERVICES	HL	HO	SD2
CLINICS	HL	CL	440	CLINIC:CIVIC CNTR,E/DENE,NASAR	HL	CL	SD2
	HL	CL	441	CLINICS:MHLUZI,SIMUNYE,MOBILE	HL	CL	SD2
	HL	CL	442	CLINIC HENDRINA KWAZAMOKHULE	HL	CL	SD2
COMMUNITY & SOCIAL SERVICES	CS				CS		
LIBRARIES & ARCHIVES	CS	LB	140	LIBRARY:MIDDELBURG	CS	LB	SD3
EVENTS & FACILITIES	CS	HA	161	FACILITY & EVENTS MANAGEMENT	CS	HA	SD3
CEMETERIES & CREMATORIUMS	CS	CM	505	CEMETERY	CS	CM	SD3
AGED CARE	HS	HS	221	RENTAL SCHEME RIVIERPARK	CS	AC	SD3
	HS	HS	222	RENTAL SCHEME VERGEET-MY-NIE	CS	AC	SD3
OTHER SOCIAL	FA	OA	116	DEVELOPMENTAL OFFICER YOUTH	CS	OS	SD3
	FA	OA	117	GENDER & SOCIAL MANAGER	CS	OS	SD3
	EX	EX	218	UMSOBOMVU YOUTH CENTRE	CS	OS	SD3
HUMAN SETTLEMENT	HS				HS		
HUMAN SETTLEMENT	HS	HS	220	N H F LETTING SCHEME(SUB-ECON)	HS	HS	SD3
	HS	HS	223	NEW SUB-ECON.SCHEME	HS	HS	SD3
	HS	HS	224	EASTDENE N H F LETTING SCHEME	HS	HS	SD3
	HS	HS	225	NASARET N H F SHOPS	HS	HS	SD3
	HS	HS	226	NASARET N H F CRECHE	HS	HS	SD3
	HS	HS	227	NASARET N H F LETTING SCHEME	HS	HS	SD3
	HS	HS	452	HUMAN SETTLEMENT	HS	HS	SD3
	HS	HS	453	RDP DEVELOPMENTS	HS	HS	SD3
			454	MUN ACCRED CAPACITY ENHANCEMEN	HS	HS	SD3
	HS	HS	460	SQUATTER CONTROL	HS	HS	SD3
PUBLIC SAFETY	PS				PS		
POLICE	PS	TR	310	TRAFFIC	PS	TR	SD4
EMERGENCY SERVICES	PS	PF	515	EMERGENCY SERVICES	PS	PF	SD4
STREET LIGHTING	ED	SL	731	STREET LIGHTING	PS	SL	SD4
SPORT & RECREATION	PK				PK		
PARKS & RECREATION	PK	PK	530	SPORTS GROUNDS	PK	PK	SD3
	PK	PK	533	PARKS	PK	PK	SD3
	PK	PK	534	BOTSHABELO NATURE RESERVE	PK	PK	SD3
	PK	PK	539	PARKS TRANSPORT	PK	PK	SD3
WASTE MANAGEMENT	WM				WM		
SOLID WASTE	FA	FI	219	CLEANEST TOWN COMPETITION	WM	RR	SD5
	WM	RR	420	CLEANSING:REFUSE REMOVAL	WM	RR	SD5
						RR2000	PA5
	WM	RR	421	CLEANSING:REFUSE HENDRINA /KWAZA	WM	RR	SD5
	WM	RR	422	CLEANSING:VILLAGES/RURAL	WM	RR	SD5
	WM	RR	425	STREET CLEANSING	WM	RR	SD5
	WM	RR	430	DUMPING SITE	WM	RR	SD5
WASTE WATER MANAGEMENT	WW				WW		
SANITATION	WW	SR	546	SANITATION HENDINA/KWAZAMOKUHLE	WW	SR	SD6
	WW	SR	547	SANITATION: VILLAGES & RURAL	WW	SR	SD6
	WW	SR	550	SANITATION	WW	SR	SD6
						SR2000	PA4
	WW	SR	551	SANITATION: CONNECTIONS	WW	SR	SD6
	WW	SR	552	SANITATION: PURIFICATION	WW	SR	SD6
	WW	SR	553	SANITATION: PURIFICATION HENDRINA	WW	SR	SD6
PUBLIC TOILETS	WW	PT	410	PUBLIC TOILETS	WW	PT	SD6
ROAD TRANSPORT	TP				TP		
VEHICLE LICENSING & TESTING	TP	LT	300	LICENSING	TP	LT	SD7
ROADS & STORMWATER	TP	RD	540	ROADS & STORM WATER	TP	RD	SD7
	TP	RD	541	SUNDRY PRIVATE JOBS	TP	RD	SD7
	TP	RD	542	ROADS & STORM WATER:HENDRINA	TP	RD	SD7
	TP	RD	543	ROADS & STORM WATER:VILLAGES	TP	RD	SD7
ROADS OTHER	TP	RO	545	RAILWAY LINES	TP	RO	SD7
	TP	RO	557	TAXI TERMINALS	TP	RO	SD7
WATER	TW				TW		
WATER DISTRIBUTION	TW	WD	560	WATER:GENERAL	TW	WD	SD8
						WD2000	PA3
	TW	WD	562	WATER:COLUMBUS & OTHER	TW	WD	SD8
	TW	WD	565	WATER:CONNECTIONS	TW	WD	SD8
	TW	WD	566	WATER GENERAL HENDRINA/KWAZA	TW	WD	SD8
	TW	WD	567	WATER:VILLAGES & RURAL	TW	WD	SD8
WATER STORAGE	TW	WP	561	WATER:RESERVOIRS & PURIFICATIO	TW	WP	SD8
	TW	WP	563	WATER:PURIFICATION KRUGERDAM	TW	WP	SD8
	TW	WP	564	WATER:BULK SUPPLY M.BURG DAM	TW	WP	SD8
	TW	WP	571	WATER PURIFICATION HENDRINA/KW	TW	WP	SD8
ELECTRICITY	ED				ED		
ELECTRICITY DISTRIBUTION	ED	ER	700	ELECTRICITY:GENERAL	ED	ER	SD9
						ER2000	PA2
	ED	ER	705	ELECTRICITY:SUNDRIES	ED	ER	SD9
	ED	ER	710	ELECTRICITY CONNECTIONS	ED	ER	SD9
	ED	ER	750	ELECTRICITY TRANSPORT	ED	ER	SD9

STEVE TSHWETE LOCAL MUNICIPALITY



BUDGET SPEECH

2011/2012 Financial Year

By the Executive Mayor
I.M.T. Mahlangu
At the Special Council Meeting
on
Thursday, 05 May 2011

**BUDGET SPEECH/TABLING AND STATE OF THE MUNICIPALITY FOR TWO
TERMS BY THE HONOURABLE EXECUTIVE MAYOR, CLR I.M.T MAHLANGU**

**THEMBA SINAMELA STADIUM
05 MAY 2011**

Honourable Speaker; Cllr. E.F. Mathebula
National Department of COGTA;
Office of the Premier;
All MECs present here;
Members of the Provincial Legislature;
Our chief whip Cllr. M.A. Masina;
Members of the Mayoral Committee;
Members of the Provincial Legislature;
Mayors and Speakers;
Fellow Councillors;
Municipal Manager, Mr. Willie Fouche;
Senior Managers and officials of Council;
Leaders from all Political Parties;
Ward Committee Members and Community Development Workers;
Traditional Leaders;
Pastors;
Business fraternity;
Distinguished guests;
The Media;

Ladies and Gentlemen;

All protocol observed;

Acknowledgement

Honourable Speaker, I extend my sincere and warmest gratitude to all of you present here today in this very last budget speech of our two terms in office which started in the year 2000 till to date.

I send special greetings to the people of Steve Tshwete Local Municipality, the city which has been my home for some decades.

I salute the African National Congress and its Leagues for having cadres who have sacrificed life and limb in the pursuit of the noble cause of our struggle.

Let me extend my greetings to the Alliance partners of our movement the SACP and COSATU, the working class of our country which always remains the most reliable force in the struggle to end exploitation and oppression.

My salutation would be incomplete without expressing my deep appreciation for the strength given to me by my beloved family during my long and lonely years of my deployment. My Mom, Gogo Nkosi, thank you very much for all your support, indeed you are a caring Mother.

Message of Condolence

Honourable Speaker, Let me take this opportunity once again to pass a sincere message of condolences on behalf of the entire council to the family, colleagues and friends of all councillors and officials who passed on during our two terms of office. Not forgetting to mention the Alderman Oom...Bibi Xulu who was a member of the Mayoral Committee responsible for Administration, Human Resource and Education,

"May we all stand up and observe a moment of silence... May their Souls Rest in Peace..."

We like to say thanks to the families of all those members who served with us for allowing them to contribute to bettering the lives of our poor masses.

May Day Celebration

Honourable Speaker, we are meeting here today four days after a very important day dedicated to the workers of our country of which South African workers first celebrated May Day in 1904, and it was until 1986 when it was recognized as a paid holiday and we believe that our workers will continue to celebrate the May Day and organize themselves in order to defend and assert their interests since workers are not isolated from the rest of society.

World Economic Forum on Africa

Honourable Speaker, we are meeting here today on the second day of the World Economic Forum (WEF) on Africa which started on the 4th to 6th May 2011, in Cape Town.

Heads of state and government, including prominent business leaders from around the continent have attended the WEF on Africa under the theme "*From Vision to Action, Africa's Next Chapter*".

The theme focuses on how African countries, communities and companies can move the continent forward in view of the unfolding global transformation and challenges.

As I was listening to its proceedings, indeed I am convinced that the WEF on Africa serves as a platform that fosters interaction amongst key stakeholders on how to advance Africa's socio-economic development and it further allows African leaders, international organizations and the private sector the opportunity to develop innovative partnerships that will address the continent's developmental challenges and economic priorities in an interactive manner. We wish them well in the said forum.

Honourable Speaker, as I present this budget speech today, I remember the words of the revolutionary giant, former President Nelson Mandela when he addressed the Rally in Cape Town on his release from Prison, 11 February 1990, when he said, I quote:

"I stand here before you not as a prophet but as a humble servant of you, the people. Your tireless and heroic sacrifices have made it possible for me to be here today. I therefore place the remaining years of my life in your hands".

Honourable Speaker, I am further reminded about the pledge I signed with my beloved organization, the ANC, which says, I quote:

"We pledge ourselves to liberate all our people from the continuing bondage of poverty, deprivation, suffering, gender and other discrimination".

The Oath I signed with the Magistrate of Middelburg Mr. J.C.R. Engelbrecht, when I was accepting my appointment as a public office representative, I quote:

"I, I.M.T. Mahlangu swear/solemnly affirm that I will be faithful to the Republic of South Africa and will obey, respect and uphold the Constitution and all other laws of the Republic, and I swear/solemnly affirm and promise to perform my function as Executive Mayor of the Steve Tshwete Local Municipality to the best of my ability".

Honourable Speaker, the above words from uTata uMandela, the pledge we signed with the ANC and the Oath I signed in the presence of the Magistrate has continued to restore my conscious as I was continuously doing my work in pursuit of the vision and principles of our ANC which has at all times been based on the age-old values of Ubuntu, selflessness, sacrifice and service in a manner that ensures that the interests of the people take precedence over our desires as individuals.

Our successive governments from 2000 to date have worked consistently to encourage the entrenchment of a value system whose observance had continuously made all of us Proud South Africans, a value system which is informed by the principle of Ubuntu - umuntu ngumuntu ngabanye which particularly means that we must all act in a manner that respects the dignity of every human being.

In line with the Goals set in the 2006 and 2011 Local Government Elections Manifesto, retrospectively, much has been achieved.

Honourable Speaker, once again in our second term of office we emerged and grown into a dynamic institution that is dedicated to accelerate service delivery and improve financial management.

I am proud to say that we have streamlined our strategy so that people's needs as voiced by citizens, were translated into policy and ultimately plan for delivery and implementation.

We entered our second term of office with the spirit of hard working so as to realize the five key objectives set by the governing party. The overwhelmingly mandate, which we accepted with humbleness and confidence, motivated us to do more in order to consolidate democracy and expand the horizons of freedom.

Accordingly, the Key National Focus Areas are:

- Creation of decent work and sustainable livelihoods.
- Education.
- Health.
- Rural Development, Food Security and Land Reform.
- The fight against crime and corruption.

I am indeed confident and proud to report to you that we were able to put into action this mandate because of the experience and determination we have in serving this community.

The following were some amongst the outcomes that were achieved during our two terms of office:

A Growing Economy and Local Economic Development

Steve Tshwete Local Economy grew over the past ten years through property development.

The improvement of investment in industrial and commercial property is attributed through the spin-off of increased mining activities in and around the municipality.

The well-known sale of the five "mall erven" to the south of Aerorand is a good indication of the confidence of investors in the local economy.

- Honourable Speaker, I am proud to report to you that one of the successes from the strategy approved by the Nkangala District Municipality is that, we have successfully managed to establish a Business Linkages Centre, a Tourism Information Centre which was officially launched in May 2008.
- With the help of big business we were able to assist small, micro and medium enterprises (SMME's), we established a Small Business Hub, and conducted a survey on the Business Investment Climate.
- 40 industrial sites were created through subdivision of stands in the Middelburg Industrial area, and a new township consisting of 170 industrial stands is underway.
- The municipality developed indigent, procurement and hawkers policies and a guide to erect signage's (brown tourism signs).
- We produced the first Investors Guide in conjunction with the Chamber of Commerce and this was distributed to tourists, external stakeholders and to other countries.
- The Department of Land Affairs was approached to purchase land at Bankfontein for commonage at the rural village. The Department of Land Affairs has been approached to consider donating a piece of land for commonage purposes at Doornkop.
- The municipality signed a Memorandum of Understanding with the Department of Public Works and is reporting on the EPWP Monitoring Information System.
- There were 4 445 person employed out of opportunities generated from the EPWP as at 30 September 2010.

- Sixty learners for the Kusile Bakery Project were trained on baking, finance and business management skills.
- Honourable Speaker, I must say that there was a joy and jubilation for the residents of Ward 4 and 7 during the official hand over of the Ikageng Community Gardens on the 04th July 2007.

When I checked on progress a few months after handing over, I was overwhelmed at the excellent outcome done by the residents of these wards, and couldn't hold myself but purchased their fresh product which I later on enjoyed with my family.

- Honourable Speaker, twenty-five community garden beneficiaries were trained at the Nkangala FET College in basic agricultural and marketing skills.
- A building consisting of 40 stalls for informal traders was erected with funds provided by the Nkangala District Municipality.
- A Buy-Back recycling project was initiated and environmental awareness campaigns and training are regularly conducted.
- Through the intervention of the municipality, building work has commenced on a shopping complex of ± 40 000 m² where about 1200 people will be employed.
- Traffic officers have been employed to control traffic during peak business hours and to control funerals over weekends.
- A number of additional sites were created for informal traders.
- With the assistance of the EThekweni and Leeds Municipalities, our procurement processes have been improved and is more transparent and empowering our disadvantaged people.

Service Delivery

- 32,5 km of new roads were tarred in previously disadvantaged areas at a cost 50,4 million Rand.
- R26, 5 million Rand was spent on new roads in Middelburg, Hendrina and the Industrial area.

- Drinking and clean water was delivered to farm dwellers at a total cost for 3,6 million Rand.
- Water networks were installed at Piet Tlou, Somaphepha and Sikhululiwe Villages at a cost of 4,3 million Rand.
- New bridges were built at Orange Street, Bhimmy Damane Street and at Presidentsrus at a total cost of 11,6 million Rand.
- 20,3 km of storm water drainage was installed at 27,5 million Rand.
- 600 000 Rand was spent on the opening of road reserves at Rural Villages.
- 24,2 million Rand was spent on the re-sealing of tar roads and the re-gravelling of other roads throughout the municipality.
- The first phase of Extension 7 MPCC has been completed. The second phase is being attended to through the Neighborhood Partnership Development Grant.
- A total amount of 202 million Rand has been spent on the upgrading of the electricity networks within the Steve Tshwete supply areas.
- Traffic signals (Robots) were upgraded and synchronized throughout Middleburg and Mhluzi at a cost of more than 2 million Rand.
- New Traffic signals were installed at various intersections in Middelburg and Mhluzi R3,2 million Rand.
- Sports stadiums at Mhluzi, Middelburg, Eastdene and Kwazamokuhle were upgraded at a total cost of 8,3 million Rand.
- A service provider was appointed to attend to the establishment of a township for the restitution of the Botshabelo community.
- New clinics were provided at Mhluzi Extension 6 and Piet Tlou at a cost of ± 3.7 million Rand.
- With the assistance of Koornfontein Mine, we have commenced with the reconstruction of the Kosmos Hall at Hendrina/Kwaza.

Honourable Speaker, it can take me another two terms of office to count projects which have been delivered by this leadership core in consultation with our people and contribution of business fraternity.

- Finally, Honourable Speaker, I must report to the house that we have developed an sms system which informs Councillors of service interruptions so that they can inform their constituencies. Local radio stations and loud hailing are also used in this regard.

Sustainable Livelihoods

- Somaphepha and Sikhululiwe rural villages have been established and the township establishment process for Naledi Village is already in an advanced stage.
- Kwazamokuhle Ext 7 Township consisting of 650 stands was proclaimed, serviced and developed with low cost housing.
- 1120 stands in Aerorand and 666 in Middelburg Ext 18 were serviced. 80% of these stands have been sold and developed with houses.
- Proclamation of 500 stands at KwazaMokuhle X8 is in its final stages and MIG funding for the installation of services will be utilized during 2011/2012 financial year.
- The first phase of the Piet Tlou Thusong Centre has been completed and funds for the building of community hall have been provided by MIG.
- We were granted 2648 subsidies by the provincial department of Human Settlements. To date 1335 RDP houses have been completed and handed over to the beneficiaries in Tokologo, Middelburg Extension 24, Mhluzi Extension 2, Kwaza Extension 7, Doornkop and Mhluzi Extension 6.
- 40 residential units were built by the Steve Tshwete Housing Association at Chromeville in association with the municipality.

Comprehensive Social Security

- 250 000 Rand was spent on the acquisition of tents and blankets for Disaster Management purposes.

- 33 000 Rand was spent on creating Disaster Management work stations.
- A Disaster Risk Assessment for the municipality was done.
- A Disaster Management Risk Plan was developed at a cost of 300 000 Rand.
- 100 000 Rand was used to purchase software to facilitate the response to disasters.
- 19 Personnel were appointed and trained to man the Disaster Management Centre.

Intervention to Indigent and Poor People

- Free services packages consisting of free property taxes, refuse removal, sewer charges, 10 kl of water and 50 kilowatt hours of electricity has been provided to 14000 indigent households.

Constitutional Rights and Democracy

- 14 editions of municipal newsletters were published.
- We participated in radio talk-shows to market the municipality, inform communities about development or respond to issues raised by communities through Ikwewezi, SA FM, GMFM, Empower FM Ukhozi, Kragbron, Thobela, Ligwalagwali and Kosmos FM.
- Communication Strategy was developed by Council.
- Bi-monthly reports are submitted to the Executive Mayor and Speaker's Offices on the activities of ward committees.
- Ward Committees were trained between 14 March - 14 June 2009 and 07-11 September 2009.
- Councillors are assisted with the calling of community meetings through the distribution of flyers and by means of loud hailing.
- The valuation roll is currently being implemented. The supplementary valuation is done monthly, and supplementary valuation is done annually.

- The Employment Equity Plan is reviewed annually and the vacancies are filled in terms thereof.
- KPMG was appointed to conduct an anti-corruption hotline which is independent and confidential.
- Fraud awareness workshops for employees and full time Councillors are taking place annually.
- A Revised Performance Management System was approved. Performance Management was cascaded to HOD's and other Managers reporting to the Municipal Manager.
- Mayoral Outreaches were conducted in different wards.
- Under our leadership the municipality:
 - Became the Provincial Cleanest and Greenest Town Champions;
 - The Water Purification and Management Systems were granted Blue Drop status by the Department of Water Affairs.
 - Obtained unqualified audit report for the last nine consecutive financial years.
- Throughout the two terms of office community based Integrated Development Plans and our Budgets were accepted as credible by the Provincial Government and by the National Treasury respectively.
- Through our intervention, the composition of previously "white areas" has been changed to reflect the demography of our municipality.
- Executive Mayor served as chairperson of the Provincial Working Group on Finance.

2011 World Cup

As part and parcel of the celebration of the 2010 World Cup hosted in South Africa, we also contributed to the success of the event by amongst others, having public viewing sites, held local soccer games, allowing elders to play recently. The world was here and we want to thank FIFA for having allowed our country and continent to host the event. In addition we want to thank our people for having behaved so well.

We owe this event to the son of the African soil, comrade Nelson Mandela. Thanks you Tata Madiba.

Youth Development

Honourable Speaker, as the municipality we were able to render a comprehensive youth advisory and development service in association with Umsobomvu Youth Fund and later the National Youth Development Agency.

This department together with NYDA and Umsobomvo were able to obtain bursaries for young people who benefited from that initiative. The youth summit was convened which emerged with the Integrated Youth Development Strategy which has ultimately led to the adoption of a youth policy by council.

We have appointed the Youth Manager whose responsibility will be to assist and lead in youth development issues. By so doing we are reaffirming our commitment in assisting our youth and allow them to use every spare moment to grasp every available opportunity.

Optimum Mine through its trust had given students from poor families bursaries to continue their studies.

Gender and Social Development

- A Gender and Social Development Unit was created to deal with transversal issues in the municipality.
- We developed and adopted policy on Grants-in-Aid, which relate to the community projects for woman, youth, children, person's living with disabilities, elderly person's and people with HIV/AIDS.
- We modify the HIV and AIDS strategy in order to address the weaknesses in the SWOT Analysis in the IDP.
- The Local Aids Council was reviewed, revived and is functional.
- The Local AIDS Council and Task Teams hold their meetings on a monthly and quarterly basis.
- A Database for Orphans and Vulnerable Children was developed.

- We established a Child Care Forum.
- We established a forum for persons with disabilities.
- We held a successful Women Summit on Business and Mining.
- We held a successful Children Summit on child trafficking.
- Through our relationship with the private sector, Mthombeni Primary School Hall was renovated by Eskom's Young Professionals.
- The following organizations have received donations from Anglo Coal:
 - ✓ Hope of Nations in Pullenshope
 - ✓ Bonginhlanhla from Nasaret
 - ✓ Mhluzi Peer Educators
 - ✓ Ikageng Luncheon Club in Doornkop
 - ✓ Victim Support Centre in Blinkpan
 - ✓ Greater Middelburg Workshop Centre for the disabled.
 - ✓ Healing Hands Ext. 24.
- We organized a five days training for 50 Home Based Carers to empower HBC and most of them were new volunteers and did not know how to handle the cases.

Coming to the Budget Itself

Background information

Honourable Speaker, Section 16(1) of the Municipal Finance Management Act provides that:

"The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year"

The consequences for failure by the municipality to approve an annual budget before the start of a budget year are far reaching as stipulated in Section 26 of the MFMA including the provision that the provincial executive must intervene, and such intervention may include dissolving the council and appointing an administrator in terms of Section 139 (4) of the Constitution.

Therefore, for the council to comply with Section 16(1) mentioned above, Section 24(1) of the MFMA requires that:

"The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget"

Honourable Speaker, I must report to you that our budget approval requires support the house, we must also bear in mind that before the approval of the Budget IDP processes were conducted including consultative meetings with communities and stakeholders.

The draft annual budget was tabled in council and publicized for comments. A budget indaba was convened to consider the inputs in accordance with Section 22 of the Municipal Finance Management Act which provides that:

"Immediately after an annual budget is tabled in municipal council, the accounting officer must in accordance with Chapter 4 of the Municipal Systems Act make public the annual budget and documents referred to in Section 17(3) and invite the local community to submit representations in connection with the budget"

Honourable Speaker, all the above processes symbolize our commitment to comply with legislations that guide us on day-to-day work and ultimately as politicians we play an oversight role.

Economic Overview

Honourable Speaker, there are encouraging signs of stronger recovery in the global economy as we enter 2011, however it remains a slow recovery. Improving household consumption and accelerating investment will support an increase in economic growth over the medium term. Real GDP growth is projected to reach 3.4 per cent in 2011, 4.1 per cent in 2012 and 4.4 per cent in 2013.

The new growth path outlines an approach to accelerate growth and employment focusing on:

- Continuing and broadening public investment in infrastructure;
- Targeting more labour absorbing activities in the agricultural, mining, construction and building services;

- Promoting innovation through “*green economy*” initiatives; and
- Support rural development and regional integration.

Continuous public sector investment in economic infrastructure provides crucial support for the recovery of the economy. Consequently, the municipal revenue and cash flow remain under pressure and particular attention should be given to managing all revenue and cash streams effectively. Given the ongoing funding constraints some very tough decisions have been taken and the main challenges experienced during the compilation of the 2011/2012 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Ageing water, sanitation and electricity infrastructure;
- The increased cost of bulk purchases;
- The availability of affordable borrowings to supplement the capital programme; and
- The stagnation of the revenue base with increased demand to bulk services.

Honourable Speaker, we remain guided by our seven strategic developmental priorities, which are:

- Poverty alleviation
- Corporate Governance
- Economic growth and development
- Good co-operative governance
- Financial viability
- Integrated environmental, social and economic spatial planning
- Cost effective and sustainable service (service delivery)

Also in line with national approach given the present economic crisis, this budget gives priority to the following:

- Management of all revenue streams especially debtors, by making sure that our collection is maintained at 100%.
- Protecting the poor from the worst impacts of the economic downturn, by taking care of our indigent community.
- Meaningfully supporting local economic development initiatives that foster micro and small business opportunities and job creation.
- Securing the health of the assets base by increasing spending on maintenance and upgrading of infrastructure.
- Expediting spending on capital projects especially those funded by conditional grants.
- Ensures that drinking water meets the required quality standards at all times.

The budget responds to the inputs of our people through the community consultation meetings with each ward and the Budget Indaba which was held on 20 April 2011 where all stakeholders had the opportunity to comment on the draft budget before final adoption by Council.

Honourable Speaker, the comments of the community were not only noted, but were effected into the budget. Specific example include the increased amount for pensioners to qualify for a rebate from 8000 rand to 10 000 Rand per month.

Honourable Speaker, President Jacob Zuma, stated in his 2011 State of the Nation Address that government is primary concerned about the continuing high levels of unemployment and poverty in the country. To address these concerns, 2011 has been declared a year to focus on job creation.

In line with what the President had said, the theme of our 2011/2012 Budget says, "People's budget to fight poverty, accelerate service delivery and create jobs", and these theme is also linked to the Treasury Circular Number 55, which urges all municipalities to explore opportunities to mainstream labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme, and as a result of that our budget was prepared taking in consideration of the above mentioned requirement and the summary thereof is presented as follows:

Operating Budget

Honourable Speaker, this brings me to the rands and cents of the budget before us today. Total operating revenue grows by 19,6% and additional revenue to the amount of 404-million Rand will be received over the next three years.

The bulk of the revenue is derived from electricity at 40,4%, being an amount of 343,7-million Rand followed by property rates for an amount of 195,8-million Rand. The remaining services charges contribute 16%, at an amount of 136,3-million Rand.

The municipality's allocation in terms of the equitable share, which supplements own revenue to deliver free basic services, amount to 77,3-million Rand and is projected to increase to 91,5-million Rand in the 2013/2014 financial years.

The operating budget for the next three years sees total expenditure increasing from 917,6-million Rand in 2011/2012 to 1 112-billion Rand in 2013/2014 and will be allocated as follows:

- The bulk of operating expenditure is allocated to the infrastructure-related votes of electricity (34, 3%), water (6%), sanitation, including solid waste disposal (12, 1%), and roads and storm water (10,3%). This accounts for just over 62, 7% of total operating expenditure.
- Employee related costs increased with 17, 4% from R222,3-million Rand to 261,2-million Rand which constitutes 28,5% of operating expenditure.
- The repair and maintenance budget was increased by 14,5% to just more than 47-million Rand and constitutes 5% of operating expenditure.
- Finance charges increased with 20% which is primarily the repayment of interest on long term borrowings. The increase is as a result of the additional external loans taken up to supplement the capital delivery programme.
- Bulk purchases in total comprises 26% of the operating budget and increased with 23% from 195,7-million Rand to 240,6-million Rand.

Capital Budget

The capital budget proposed today amounts to 208,5-million Rand for 2011/2012 financial year and for the two outer financial years expenditure is planned for 212,9-million Rand and 257,2-million Rand respectively.

New funding from external loans of 272-million Rand will be taken up over the next three years, whilst 172,3-million Rand will be funded from government grants and donations and the balance of 234,3-million Rand from internal reserves.

Honourable Speaker, I need to mention that approximately 82% of the capital budget will be earmarked for infrastructure and residential related projects over the next three years to address backlogs, rehabilitate existing infrastructure and create much needed jobs through the use of labour intensive methods wherever possible.

Steve Tshwete is earmarked to receive a significant support from the National Government for the amount of 47,7-million Rand and is projected to increase to 67,7-million Rand in the 2013/2014 financial year.

22,6% of capital expenditure will be utilized on the renewal of assets whilst 77,4% will be utilized for new infrastructure and other assets.

Key Service Delivery Targets

Honourable Speaker, there is an increased focus in Government on improved service delivery, value for money and quality of spending.

Based on the important role played by local government, the municipality has committed itself to the following areas of extensive capital investment in 2011/2012:

- 31,7-million Rand for electricity infrastructural development
- 64,6-million Rand for roads and storm water infrastructure
- 6,5-million Rand for water infrastructure
- 45,9-million Rand for waste water and waste management
- 8,5-million Rand for community & social services

- 17,8-million for sport and recreation
- 6, 5-million Rand for public safety
- 21,9-million Rand for governance and administration

Proposed Tariff Adjustments

The continuous demand for better service delivery, upgrading of bulk infrastructure without significant growth of the municipal revenue base has placed a severe burden on the municipal budget.

It is however anticipated that with the recovery of the economy and the new mall and envisaged surrounding developments it will relieve the pressure on the municipal revenue base and future tariff increases will convert back to be within affordable limits.

After all inputs were considered the proposed tariff increases will yield additional revenue of 110,8-million Rand of which 85,8-million Rand is from service charges and 25-million Rand from property rates.

The proposed tariff adjustments to come into effect on 1 July 2011 are:

- An average increase in property tax revenue of 13,95%
- An average increase in sewerage tariff of 21,9%
- An average increase in refuse tariff of 16,6%
- An average increase in the electricity revenue of 23,38%
- An average increase in the water tariff of 15,9%

The municipality need to remain focused on effective delivery of core municipal services through the application of efficient and effective service delivery mechanisms. Sound financial management principles are essential and critical to ensure that the municipality remains financially viable and that sustainable services are provided economically and equitably to all communities.

In Conclusion

Comrades and friends,

I therefore thank the many dedicated compatriots - men and women - who have made it possible for us to contribute in the strengthening of democracy.

I would like to thank my colleagues in this municipality and Nkangala District Municipality, Provincial and National Government for our collective contribution we made for the achievement of the aspirations of our people. Working together to fight poverty and accelerate service delivery will remain in our agenda.

Accordingly, I depart this responsibility conscious that the sterling work done by the councillors and administration will continue, driven by the determination to achieve the goal of a better life for all.

We hope that the incoming administration will better the work done during the past 10 years so that poverty, underdevelopment, unemployment, illiteracy, challenges of health, crime and corruption cease to define the lives of many of our people.

I have received many messages from our communities, from all walks of life, through e-mails, telephonically and through cell phone text messages as well as those conveyed through my colleagues. I thank all of you, for those messages.

To everyone, and responding to those messages, I would like to say that darkness and hopelessness have never defeated adversity. The forces of darkness shall never defeat the forces of light, so says the Bible.

Our strength as a people is not tested during the best of times.

We should never become unhappy because the weather is bad nor should we turn victory because the sun shines. As leaders we should strive for perfection and be selfless servants of the community.

Honourable Speaker, I have no doubt that we all aware of the incoming local government elections which will take place on the 18th of May 2011.

Honourable Speaker, let me take this opportunity once more to thank the ANC, Alliance Partners, Stakeholders and the Community at large for having given me the opportunity to serve in public office for the past 10 years, moreover, given the highest political position of leading this institution as the Executive Mayor for the part 10 without interruption.

Further thank the Municipal Manager Mr. Wellie Fouche, Executive Manager, Managers and the entire officials, religious leaders, councillors, different political parties and other stakeholders for the good work we did during our term of office, together let's continue to contribute towards bettering the lives of our masses.

My message to the new administration is that, to succeed there is more work to be done. I trust that they will continue to strive to act in unity to accelerate the advance towards the achievement of our shared national goals.

In this regard, it may be worth repeating once more to say, I thank you most sincerely for affording me the opportunity to serve you and to serve the people of Steve Tshwete Local Municipality.

I Thank you...