

**REPORT ON STATE OF THE BA-PHALABORWA MUNICIPALITY AND THE
2009/ 10 IDP AND BUDGET BY CLLR G.D. VALOYI, MAYOR BA-PHALABORWA
MUNICIPALITY**

28 May 2009, Maseke Traditional Authority at 14h00

Honourable Speaker

Chief Whip

Fellow Councillors

Kgoshi Malatji of Maseke and members of Maseke Traditional Authority Council

All Chiefs

Good afternoon

We are gathered here today, exactly 36 days after the national general elections that have mandated the African National Congress to continue to create a better life for all our people. That responsibility is more immensely relevant to us at the local government level. So when I wish you a good afternoon, I am alive to the reality that service delivery achievements will mostly be registered by us at municipalities.

It is a good afternoon, because our mandate has never been more clearer as now and the confidence bestowed to us by our people through the elections more daunting and the ANC made that undertaking fully awake even to the challenges that lay ahead. The five key performance areas of which the ANC will be measured on have informed both the IDP and Budget we seek approval for:

- Rural development

Our day-to-day existence as a municipality is a quest for rural development because of our location and even our classification is that of a rural municipality. Therefore the extension of basic services such as water, electricity, sanitation and access (roads) is the basis of rural development. At an economic level, the support we continue to give to agricultural sector and emerging farmers is indicative of our commitment to rural development and food security for our communities. Amongst others, we will

ANNEXURE B

support the Mangena vegetables garden and the Mponeng Poultry project with the assistance of PMC and their Palabora Foundation.

- Education

Although education is national and provincial competence, part of the strategic objectives we adopted at the Strategic Planning session of the municipality is skills development. We shall also set performance targets for skills development in the Service Delivery and Budget Implementation Plan (SDBIP). We will continue contributing to the national skills development initiative because we are convinced that skills shortage is also serious in our municipal area.

Secondly, our conviction is that skills shortage is a major contributor to the challenge of poor services that our people receive. We therefore humbly and passionately challenge parents to ensure that children stay at school until they acquire certain skills that would assist our communities in building sustainable South Africa.

- Health

Given the scourge of HIV/ Aids ravaging our communities, the notion of health for all in Ba-Phalaborwa municipality must mean strengthening the HIV/ AIDS mainstreaming in all our programmes. The partnerships established with the various stakeholders in the Local AIDS Council remains paramount to this battle.

While we urge everyone not to shift our focus or eyes away from the battle against HIV/ Aids, we would also want to remind ourselves that this week (from 25th – 31st May) is Sanitation and Hygiene Week. The campaign is aimed at empowering our people to fight other killer diseases such as cholera and diarrhoea. The awareness should be part of our everyday life, **“WASH HANDS WITH SOAP BEFORE TOUCHING FOOD; WASH HANDS WITH SOAP AFTER A VISIT TO THE BATHROOM”**.

ANNEXURE B

- Crime

As a resident of Ba-Phalaborwa Municipality over many years, I had never imagined that one day in my lifetime would I be confronted by the scourge of crime in our area. So I am shocked at the crime reports in our areas, in particular Namakgale that have robbed us of valuable community leaders such as the late Dr. BBR Nyathi (may his soul rest in peace). However, to remain perplexed and do nothing about this situation will be criminal on its own. Before the end of August 2009, the municipality will launch the Community Safety Forum which will support the fight against crime by both the South African Police Services (SAPS) and the Community Policing Forums (CPFs).

- Unemployment

Our commitment to job creation will find expression in the implementation of our projects through expanded public works programmes. Together with our business partners, we have set ourselves targets to create 500 permanent jobs and 2000 temporary jobs across the municipal area. As such we shall also be tracking new jobs created by industry.

Progress on the implementation of 2008/ 09 IDP and Budget

At a similar occasion (adopting the IDP and Budget) last year, I announced that as a municipality we intend to position Ba-Phalaborwa Municipality to attract sports tourists through plans to build an Indoor Sports Centre in Namakgale and an Sports Precinct in Lulekani. This idea will soon become a reality, the designs for both projects are now complete and construction will soon commence. The full cost of the Indoor Sports Centre is estimated at R442 million, whereas the cost of the Sports Precinct is estimated at R324 million as such both projects will be implemented in phases through part funding of the Neighbourhood Development Partnership Grant (NDPG). We will continue to search for development partners for the full implementation of these and other projects.

ANNEXURE B

We similarly issued a challenge to mining houses to identify projects in the IDP that the municipality can implement through their support. I must commend Rio Tinto Palaborwa Mining Company (PMC) for heeding our call, in the 2009/10, the municipality will upgrade single-phase to three– phase mini-sub (Extension 1) through their support. In addition, the communities of Ga-Selwane will benefit from a hydroponics agricultural project as part of resuscitating that development hub and the Ba-Phalaborwa Municipality's Marula industry will expand with the construction of the Marula Oil Extraction Plant at Phalaborwa Industrial area (Extension 5).

I also announced last year that the Municipality will partner with the PMC, through their Palabora Foundation, in the construction of the Selwane Thusong Service Centre (TSC). PMC have just completed the construction of the Selwane Library and the municipality has commenced building the other wings of the TSC.

Fellow Councillors

Let me take this opportunity to give progress report on the implementation of the 2008/ 09 IDP and budget.

CAPITAL PROJECTS

Neighbourhood Development Partnership Grant (NDPG)

I have already reported on the Indoor Sports Centre, the Sports Precinct and the Selwane TSC that the municipality is implementing through the NDPG. Other NDPG projects under implementation include the Flea Market and Rest Station (in Namakgale along the R71 road opposite the Naude Garage), the Freedom Square and Memorial Precinct (in Namakgale next to the Namakgale Hotel) and the branding of our main corridors. I am assured that in the next few months, we should officially open and start using these facilities. The construction of the Selwane Library and TSC, the Flea Market and the Memorial Precinct has to date created 77 temporary jobs. We envisage creating permanent jobs when they become operational.

Roads upgrading through Municipal Infrastructure Grant (MIG)

The Municipal Infrastructure Grant continues to be a significant enabler of infrastructure development in our Municipality. Through the MIG, we are completing Phase 1 of the Quagga Storm water and Culverts in Lulekani and upgrading 1.5 km of OR Tambo streets (Lulekani Phase 2B) from gravel to tar. To date these projects created 86 temporary jobs and will improve accessibility of our areas. In addition, contractors are on site for upgrading 2 km of Top Ville streets (Namakgale Phase 2) from gravel to tar.

Extension 7

Council has earlier in the year approved in principle the development concept of Extension 7 as an ecological village. To date, we have had fruitful engagements with the Department of Local Government and Housing into installing bulk infrastructure for Extension 7 development.

Electricity (Refurbishment of Lantana sub-station)

Last year, I indicated the dire need to upgrade the Phalaborwa Town electricity network. At that stage we had budgeted to upgrade the network cables in phases and I also challenged the mining houses to assist. During the course of the year, we had to adjust the budget and prioritise refurbishment in Lantana sub-station to avoid intermittent electricity in Phalaborwa which is the economic hub of the municipality. As I have already reported earlier, PMC also responded to our call.

BASIC SERVICES

Honourable Speaker

Electricity

ANNEXURE B

The extension to access to electricity saw the electrification of Namakgale D & E (245 units) and Mashishimale Phase 3 at 126 units. The electrification programme was implemented through ESKOM.

Water

Access to water remained a major problem in our communities. Despite our best efforts to ensure that the communities have water, we are continuously plagued with bulk infrastructure problems. As we are gathered here, the communities of Gravelotte might not be having water and I will allude to measures we are taking to address this problem later.

We were also faced with a reality that water is a scarce resource when we experienced water shortages at the source. In this regard, we plead with our communities to use water wisely and conserve water, otherwise punitive user charges may have to be levied to force water conservation for the sake of our sustainability. In this regard, we have started to extend billing to previously unbilled areas.

2009/ 10 IDP

The process of reviewing the IDP allowed us to align the municipality's priorities for 2009/ 10 with the needs of our communities. The IDP that we are submitting to Council for approval today is an embodiment of our community needs and we strived to foster alignment with other spheres of government and strengthened private sector partnership.

We have reviewed the Vision of the municipality to:

“Growing the economy and creating employment through tourism”

We have reviewed the Mission as follows:

ANNEXURE B

- “To ensure financial viability, sound administration and accountable governance for investor attractiveness
- To render all stakeholders with quality and affordable infrastructure and services for enhancing a safe and better life for all, and
- To manage the environment for the future sustainable economic growth”

To support the Vision and Mission of our Municipality, the following values are proposed in the IDP:

- Efficiency and accountability
- Growth and sustainability
- Innovation and creativity
- Professionalism and hospitality
- Conservation

To implement the targets set in the 2009/10 IDP, we require a new type of public servants within the municipality to strive towards the attainment of the Vision whilst espousing these values. I once said in a budget speech that the huge backlog challenge that faces government needs public servants of a special type. Public servants who are highly qualified, skilled, self-motivated, committed and selfless. The municipality will continue to recruit such men and women regardless of the language that they speak or the place of their origin without downplaying the importance of growing our local economy. This might not be very sweet to some ears because of tribalism sickness that some people have.

We know very well that the culprits are within and without the municipality. It is very unfortunate for them because SA is a rainbow nation, a multi-cultural and multi-lingual country. We must strive for unity in diversity, live in peace and respect of one another in order to build a strong, violent-free and caring society. The xenophobic attacks that we witnessed in the previous year, started through word of mouth and ended up costing us valuable lives of our fellow Africans.

In the financial year 2009/ 10, the following projects and programmes will be implemented:

Electricity

Through Eskom, we will electrify Lulekani B1 at 200 units and Nyakelani, 1, 2 and 3 in Makhushane at 1407 units. This is in accordance with the electrification programme of the municipality.

Water

As I have reported earlier, constant and sufficient water supply remains a daunting challenge for the Municipality. To address the water problems, we have engaged the Mopani District Municipality as a water service authority for the acquisition of water tankers that will enable us to relieve temporary water shortages.

We also have the commitment of the Executive Mayor of the Mopani District, His Worship Joshua Matlou that all the bulk water Infrastructure problems will be attended to as a matter of urgency, including completing the unfinished water projects. We are confident that the repair and completion of all the water projects will ensure reliable supply of water to the communities.

The Gravelotte water situation arises because the water scheme is owned and managed by the mine (Murchison Consolidated). We appreciate the support that this mine has given the communities of Gravelotte and this municipality by continuously pumping potable water despite the regulatory implications. Given that the mine is not a water authority, the mine is prohibited by law to maintain a water scheme and this has been the cause of the water crisis at Gravelotte.

The short- to medium-term measure to mitigate against the water crisis in Gravelotte is to have the water scheme taken over by the water service authority (Mopani District). Through this arrangement, the Gravelotte water scheme will be rehabilitated so as to function at full capacity and service the town sufficiently. In the long-term, we have started engagements to have area serviced from the N'wamitwa water scheme.

ANNEXURE B

Fellow Councillors

The need for water conservation has become urgent. We must communicate the message of using water wisely, more strongly.

Roads

The following roads will be upgraded from gravel to tar roads through MIG. 2km of streets in Gravelotte (RDP Section); 6.5 km of streets in Namakgale; construct Culverts and Storm water drainage at Tipeng; 2 km of streets in Lulekani; construct the second phase of Culverts and Storm water drainage at Quagga; and upgrade the Taxi Rank at the CBD. Through the NDPG, we will upgrade 4.0 km of streets in Namakgale, Lulekani and Gravelotte.

All the street upgrading projects will be implemented through the expanded public works programme as part of our commitment to job creation. We have also submitted the Maune - Makhushane to the Mopani District for upgrading in the 2009/10 financial year.

NDPG Projects

Through the NDPG, we shall implement the following projects:

- Cultural village
- Indoor Sports Centre
- Sports Precinct
- Solar High Masts
- Hawkers facilities

We also plan to complete the construction of the Selwane TSC and the Intermodal and Integrated Bus and Taxi Rank.

Honourable Speaker

2009/ 10 BUDGET

Municipal Tariffs

The budget we are tabling for approval proposes revised tariffs for all services rendered by the municipality. The general thread of the new tariffs is the differentiated tariffs for water and electricity between the tariffs for domestic supply and business. To alleviate the burden of the global economic meltdown and increased tariffs on water, we are proposing that the supply of the first 6 kilo-litres of water to all households be free of charge.

Property Rates

In addition, the municipality will impose property rates from 1st of July 2009 and the proposed property tariff for Council's approval is comparative to other municipalities and we have sought to limit the burden on the rate payers. The Municipal Property Rates Act (MPRA), prescribes that there is no differentiation in rating based on the location of the property but the rating is based on property values. We are proposing a tariff of R0. 008 for residential properties and R0.002 for agricultural properties and 20% rebates on residential properties whilst the Property Rates Regulations issued on the 27th March 2009 prescribe the rebates on agricultural properties.

Using rand and cents terms, a property valued at R50 000 is liable for a monthly rate of R18.67; whilst a property valued at R400 000 is liable for a monthly rate of R205. 33; whereas a property valued at R850 000 will be liable for a monthly rate of R445.33; and a property valued at R1.5 million will be liable for R792. 00. These rates are more than affordable and it should alleviate fears of unreasonable rates amongst the rates-payers.

ANNEXURE B

Indigent Support

We are proposing in this budget and the 2009/10 Indigent Household Consumer Subsidy Policy, already adopted by this Council, subsidies for indigent households. The budget we are recommending for your approval targets to support 17 000 indigents.

Budget Summary

The total annual budget is R343 624 million. The revenue per source of funding on the budget is broken down as follows:

Service charges	R173 332 million
Property Rates	R 30 470 million
Equitable Share:	R76 518 million
Other own revenue	R 63 304 million

The highlights of our expenditure are as follows:

Employee Related Costs:	R118 398 million
Materials and Bulk purchases	R 97 329 million
Capital Expenditure:	R41, 312 million
• Conditional Grants:	R35, 312 million
○ MIG:	R12, 812 million
○ NDPG	R20 million
• Internally generated funds	R 6 million

Honourable Speaker

In consultation with the Executive Committee, I recommend:

See Budget Related Resolutions on Page 5

Councillors, our officials, let us embrace the spirit of 'SIYENZA MANJE'.

Honourable Speaker

ANNEXURE B

Our term is left with only one (01) year and ten (10) months, I make this clarion call to those who respect the mandate given to us by the voters, the mandate and confidence bestowed on us by the ruling party, to join us so that together we do more for our people and together we should fight against tribal and xenophobic tendencies, laziness, divisions, and the spirit of Judas Iscariot: These make us weak, to lose focus and derail the programme of service delivery.

I LOVE YOU ALL!!!

GOD BLESS YOU!!!

Thank you.

...Ends.