



**THE STATE OF THE CITY ADDRESS OF THE MANGAUNG LOCAL MUNICIPALITY PRESENTED BY THE HONOURABLE EXECUTIVE MAYOR, COUNCILLOR PLAYFAIR MORULE ON THE 25<sup>th</sup> OF JUNE 2009 AT NORMAN DOUBELL**

**Honourable Speaker – Councillor Thami Stander**

**Honourable Judge S.P.B Hancke**

**Honourable Premier of the FS Mr. Ace Magashule**

**MECs and Members of the Provincial Legislature**

**Executive Mayors and Mayors**

**Members of Mayoral Committees**

**Members of the Diplomatic Corps**

**Leaders of all Political Parties**

**Council Whip: Councillor Sefuthi**

**Fellow Councillors**

**Acting City Manager: Mr Amos Goliath and members of your executive team**

**Chairperson and CEO's of our public entities**

**Managers and Officials of Council**

**Distinguished Guests**

**Members of the Media**

**Ladies and Gentlemen**

**Fellow Citizens of Mangaung**

In line with the directive by the state president where he call on all of us to “...encourage ... an inclusive society, a South Africa that belongs to all, a nation united in diversity, a people working together for greater good of all”

For this year our contribution therefore as Mangaung will be “in unity to Broaden participation for all our residents towards creating a decent work for all South Africans”. This honourable speaker we will do in line with the unity call by one gerate leader of the revolutional movememet the ANC JT Gumede during his 1927 inaugural address when he said “ We can differ and yet work together harmoniously for the good of our oppressed people.”

However Before I proceed with expressing our view on how this should be dealt with. let me express our gratitude and pay unconditional tribute to our country for having produced great leaders, men and women of substance – who have been so instrumental in ensuring that our country comes this far.

The past national and provincial elections honourable speaker, speaks volumes about these leadership, as our democracy remains intact probably enriched by the wisdom, the strength, the courage and the selflessness of our leaders such as Oliver Tambo, Nelson Mandela, Walter Sisulu and many others of that generation whom I may not be able to mention all now.

Tribute goes to our comrades Kamanda Thapedi, Kenneth Moadira, Cambridge Moloisane, Itumeleng Moholo, Kaizer Sebothelo, Joyce Boom, Papi Makotoko.,Msheng Zinki Bahume and Maniekie Motlohi who laid their lives for the emancipation of our country. Comrade Medupe, Dr Matlhape, Caleb Motshabi, Sparks Molatole and Me. Mohlakoane... your resilience fuelled the might that saw our country to freedom and equality. To both former president Nelson Mandela, Thabo Mbeki, your government stewardship placed us were we are today.

Despite the global economic downturn or the economic recession our country found its self in now under the tutelage of our President Jacob Gedleyihlekisa Zuma, our country is still endowed once more with opportunities for further growth and development as we have just entered triumphantly into the fourth electoral cycle with the full backing of the majority of our people.

Whom i think remind us to heed the appeal of President Nelson Mandela as repeated in 2005 by President Mbeki to commit ourselves to meeting the expectations of our people in order to confirm that they were not wrong in concluding that our country has entered its Age of Hope.

Honourable speaker gratitude should also go to all the voters who ensured that our democracy is counted among the best in the world. I pay tribute as there was an overwhelming show of confidence in the government of yesteryears today hence the African National Congress remains the government of the day.

My honour and expression of gratitude derive meanly from the solid foundation laid by all those who had a vision that one day our country would revert back to its rightful citizens therefore, Honourable speaker I would have been unjust had I not started by honouring those visionaries.

Our presentation of this State of the City Address comes just after the Premier of the province Honourable Mr. Elias Sekgobelo Magashule had just made known what the provincial imperatives will be for the next financial year.

We as the biggest municipality in the province need to take cue from the direction that the province and national government would want us to follow because we are a unitary state. We are governed by the same vision of bettering the lives of all our people black and white.

The theme the ruling party on its way to victory in the past elections was “together we can do more” and we are not about to depart away from that conviction. Our commitment to working together will become clearer later in this speech.

Honourable Speaker it is indeed a great honour to be the mouthpiece of the people who have demonstrated their confidence in us as the leadership to be standing here today, to present what should be seen as a landmark statement in the history of our Municipality. This is even more relevant today as we have already started preparing in earnest, for the transition to a metropolitan status.

Ladies and gentlemen, the challenges that are brought by the transition to a metropolitan status present us with an opportunity to assess our capacity as a municipality with a view to implementing institutional re-engineering. This process I believe, will afford us a chance to interact much closely with these challenges and areas of discomfort among our personnel.

We anticipate that this process will have far reaching impact on many facets of the municipality. During December 2008 and February 2009, we embarked on strategic sessions where we dealt with processes to prepare our municipality for the metro status. We came out of these interactions having revised the vision as well as the mission of our institution.

As I present this state of the city and budget statement, I want the house to take note that i present them having considered and adopted MLM vision as

***“A globally safe and attractive municipality to live, work and invest in”***

Speaker this vision is in line with president Jacob Zuma’s state of the nation address when he said, that “the main of government is to ensure that our foreign relations contribute to the creation of an environment conducive to sustainable economic growth and development”

It is also against this vision that we intend to broaden our international relation for socio-economic development for our residents Hence in September this year our delegation has to go to Gent in Belgium to renew our MOU since the five years period is about to lapse.

Speaker this relationship with Gent is getting stronger by the day. For instance for the next five years Flemish government has commitment a total of R3.277350 million and a total of R360 000 per year by the city of Gent for Mangaung Youth development.

You also are aware Honourable speaker that through this agreement Mangaung has assisted and trained Gent officials in Community Based Planning (CBP).

Closer home speaker MLM committed to the development of Africa the process of entering into partnership agreement with Maseru municipality in Lesotho is been closely dealt with and the same can be said about both Mozambique and Namibia

During the May 2009 delegation of Nanjing in China visited Mangaung, here the commitment made by the Deputy Mayor of Nanjing Ms Xu Huiling to persuade Nanjing companies to come and invest in the following areas: construction ( Convention Centre and Sports Complex), agro processing manufacturing. An invitation was extended to MLM and our business in our municipality.

Honourable Speaker For us to achieve this vision we had to revised the mission and it goes thus ***“To improve social and economic livelihoods through public participation, effective and efficient integrated governance system and programmes”***

This mission speaker will propel us to prioritise our people and force us to copy with the country’s Batho Pele principle

Informed by the above mission and president Jacob Zuma in his state of the nation address when he said “the fight against poverty remains the cornerstone of our government focus” , we have identified the following four key strategic objectives as critical in ensuring that we reach our vision and fight poverty:

- To ensure service excellence within and around Mangaung Local Municipality;
- To stimulate integrated and sustainable economic development;
- To improve and sustain financial, human resources excellence and management excellence and;
- To evolve institutional excellence through an ongoing institutional re-engineering, effective leadership and effective long range planning.

Speaker this strategic objective will help all of us to be effective and efficient and thus enabling us to speak like Fidel Castro when he said, “...tomorrow could be too late, let’s do now what we need to do”, lest our people suffer.

While I could boldly say gratitude to Madiba and others of the same calibre, locally here the same cannot be said, precisely because for the past two years both political and administration situation has not been conducive for service delivery when it comes to our very own municipality. In doing so I would like to acknowledge the unfortunate situation and state of affairs which we put our people through when we entangled ourselves in political wrangles that rendered our municipality unstable.

I acknowledge that we missed the opportunity completely since constitutionally, local municipalities are a government’s service delivery agents. I acknowledge that our actions were self-centered and devoid of the peoples’ aspirations – a sad state of affairs it was indeed.

In the same breath Honourable Speaker, i should be the first to say the situation has thus far stabilised, this can be attributed to the positive contribution of all

councillors and municipal officials. However still much need to be done hence in line with our theme of “unity to Broaden participation for all our residents...”

I will like to take this opportunity invite everybody to be part of solution and not the problem, because Richard Templar argues that “ if we don’t take some action this world, this fabulous planet of ours. Is going to hell...” please ladies and gentlemen don’t let Mangaung to there because all our residents are looking up to you.

It is against this background that today’s presentation ladies and gentlemen, comes at a time when the expectations of the people out there are at an all-time high. It is against this background that our people are looking up to us for a better life, It is against this background that opportunities for employment,

It is against this background that environment investor-friendly, It is against this background that entrepreneurship enhancing strategies and most importantly; It is against this background that the expectation that the most basic of their needs would be met. These in my view should have been the issues that brought the discord among us as they remain a pipe-dream for many of our people.

Speaker allow me to depart from these negative aspects that adversely affected service delivery, looking at all of us in here we all want to forget this because we agree with Richard Templar when he say “ ...there are lots of areas in ..our lives where we aren’t very ...enthusiastic” or happy about let me hasten to also highlight that amidst those trying times, this institution was still able to register some notable achievements which we can all be proud of.

During the year under review the municipality expressed its support and participation in the construction of the intermodal transport facility. Today we

have seen that the main taxi rank in Bloemfontein has been closed and major construction works have begun.

While this is in keeping with our part of the bargain when we were awarded the FIFA 2010 World Cup host city status, it also forms part of the legacy that will remain and assist the commuting community by dealing with congestion and sparsely located stations for different modes of transportation. The site hand-over and official launch of the project took place on the 29<sup>th</sup> of May 2009.

The Mangaung hostel number 1 project has also resumed after it was temporarily stopped. This will see the construction of 176 new houses for ownership being constructed and we anticipate that by September 2009, the project would have been completed.

Housing the nation is a responsibility which resides with all spheres of government; national provincial and local government, hence we have also approved the declaration of the Brandwag area as an integrated human settlement project. This project entails the Brandwag Social Housing projects where the existing 351 rental stock units will be upgraded and a further 1000 social housing units will be constructed.

Honourable Speaker To prove our readiness to work differently, efficiently effectively and smarter, as we speak, designs and lay-out plans have been finalized and the project is only awaiting the finalization of the rezoning processes. In true partnership with the provincial government, the department of Human Settlements has committed the first 150 institutional subsidies for this project already.

3 500 government subsidized houses have been allocated and under construction in the municipality. Out of this total 2 400 houses are in

Bloemfontein; 900 in Botshabelo and 200 in Thaba Nchu. The value of this project is almost R 224 mil. In the same year, almost 2 000 beneficiaries have been taken through consumer education training to empower them about their rights as new owners of property.

With regard to promotion of environmental awareness, 28 schools have developed and finalized their environmental policies while in the same breath, 20 environmental clubs were established. In June 2008, World Environment week was celebrated and the event culminated in an Environmental Summit. Learners and educators from 12 schools as well as members of various environmental clubs participated in this initiative.

In order to ensure sustainability of our environment and natural resources, 3 new pollution monitoring stations were established to monitor parameters such as sulphur dioxide, dust particles and weather conditions. In addition the Bayswater clinic was renovated and converted to an environmental library for analysis of air quality and ambient water quality.

In line with the constitutional mandate to manage and control outdoor advertising, new by-laws together with new application forms and tariffs have been developed and are currently at public participation level of consultation. This is a serious matter ladies and gentlemen as we seek to ensure that our municipal area remains tidy and all our public spaces are not exploited unwittingly. The municipality has also erected 14 new billboards for community notices of important events.

Mangaung Local Municipality has also developed a management plan for the Seven Dams area with a view to promoting conservation and bio-diversity. In line with the undertaking to hosting a green 2010 World Cup, a greening strategy called the “green goal” has also been developed and finalized.

Honoured Speaker, we will recall that in November 2008, adverse weather conditions were at play when 9 lives were lost in Botshabelo after heavy rainfall. Mangaung Local Municipality responded by acquiring relief materials such as 125 corrugated iron structures, 2000 blankets and distributed 250 food parcels to those affected. Let me once again express my gratitude to those individuals and companies who joined hands with us by partnering our efforts when our residents were left destitute as a result. Your contributions and generosity have not gone unnoticed.

In mitigating disasters, the Fire Service Museum and the Fire and Rescue services continue to be the beacon of hope as many pupils and residents both from within our own juristic area as well as beyond and including Lesotho, continue to receive empowerment programmes in disciplines such as basic fire safety, emergency evacuation and fire-fighting. An additional 103 community members were trained in First Aid. The outcome of these programmes has been a noticeable decrease by 52% in incidents of fatalities arising out of fire related accidents.

Mangaung Local Municipality in preparation for its role as the host city has been hard at work readying its response units of fire and rescue in the fields of hazardous materials and specialized rescue services. 12 members have to date been trained in advanced hazmat while four (4) have been trained in specialized rescue.

A new fire engine to the value of approximately R 2,7 m which replaced an older unit was delivered in November 2008. Whilst here Acting City Manager, let us ensure that the fire station that was closed re-opens by December 2009.

The municipality has ensured that 100% of water safety control points (water reservoirs and household tap points) were monitored with a 99.2 % compliance rate which is well above the National compliance standard of 97%. We are proud to indicate that the municipality has received the Blue Drop certification from

DWAF for excellent drinking water quality standard and this was reported recently in the Sunday Times.

Mr Speaker, a Regional A – classified park was developed and completed in ward 16 – Heidedal in the Mangaung Region, to the value of R 1.2 million to provide social amenities to residents.

The Traffic Training College succeeded in the training and development of 142 unemployed people as Traffic Officers and 20 as Peace Officers. The trained persons are qualified to operate as Traffic Officers in all the Southern African Development countries.

A command and control centre for CCTV cameras has been established and is operational and a total of 34 cameras were installed in Mangaung. We will be upscaling this project by engaging Business Against Crime, the South African Police Service and the Provincial Department of Police, Roads and Transport for further capital investment and enlisting additional personnel to enhance the project.

Mr Speaker, we have conducted joint crime prevention operations in 2009, Operation Restore, was conducted by MLM Traffic and Security, SAPS, SANDF, SAAF, Dept. of Home Affairs, Justice, other MLM departments and other stake holders in an effort to combat crime in the total MLM area. The goal was to increase the visibility of our security personnel, discourage and prevent crime and searching for wanted criminals. The net results were:

- demolition of illegal structures, law enforcement, arresting of perpetrators and illegal immigrants, execution of warrants of arrest on wanted people, prevention of illegal hawking and squatting, arrests; and warnings /summonses issued for court appearances and confiscation of drugs and illegal items;

- arresting perpetrators responsible for rape, assault, malicious damage to property and robberies at Naval Hill. 18 suspects were arrested in connection with this matter at Naval Hill and were found guilty by the Courts.

Ladies and gentlemen, we mean business when we say we will rid our municipality of rogue elements and ensure that our facilities and amenities become crime free.

We continue to build from strength to strength honoured guests, as a host city Mangaung has undoubtedly demonstrated its preparedness for the 2010 World Cup by successfully hosting the most vibrant games of the FIFA Confederations Cup.

Our organization, state of readiness, efficiency and the passion showed by many supporters who turned up for matches sent out a loud and clear message to the world governing body and those detractors and prophets of doom. We have come a long way and I can boldly state that “bring on the 2010 World Cup, we are ready – ke nako”.

We have seen during this trial period how our most critical role-players – volunteers, passionately went about doing their assigned tasks with great determination. All logistics have been spot on and I believe for all those who descended on to our municipality for this mega showpiece, this was an event worth reliving.

We as a municipality were blessed to have hosted some of the leading national teams such as Egypt, Spain and Brazil – what an acid test it was to meet the expectations of these giants. The teams that have made our municipality their home, were treated to our landmark support and as we have seen, this translated

into spirited performances by Iraq and Bafana Bafana despite the loss. It was unfortunate that on the day of these matches, luck had deserted the two teams.

We were privileged once more as we hosted the first semi-final of the Confederations Cup which featured a determined USA team against Spain where the unexpected happened, with soccer miracle happen Spain lost against USA. Thank you again Mangaung for filling the stands and supporting our efforts. Again, soccer has been the winner. Speaker we just hope that today Bafana Bafana surprises us by winning against Brazil

Tribute to all those facilities that hosted the visiting national teams, FIFA delegates, important guests, media gurus and those who are like u and me football lovers, fellow visitors and fellow South Africans.

Let me hasten ladies and gentlemen, and warn against blowing our own trumpet lest we get complacent. Let us view this as just but a dry run on our way to hosting the big one, the 2010 Soccer World Cup. We are expecting more teams, more dignitaries, more media people and of course more visitors to our beloved municipality.

The challenges next year will be double what they were this time around. Much as our volunteers and all role-players put in a sterling performance, let us be our own critique and engage with vigour on those areas where we may have faltered. Let us look at ways of improving those areas where there is still room for improvement because hosting the 2010 World Cup will be no mean feat.

On the other side of the coin is the investment that the municipality has injected in ensuring that the city meets all set criteria to qualify as a host city. The municipality spent R305 million on upgrading the Free State stadium and by April 2009, exactly two (2) months before the Confederations Cup, the stadium was officially launched when it hosted Sivelele playing against the Buccaneers. This was indeed a milestone worth noting.

Over and above the stadium renovation programme, two training venues under the auspices of Mangaung Local Municipality also received facelifts as work was done on upgrading their pitches, floodlights as well as their dressing rooms. In the end R 20 million and R 5 million were spent respectively on the Seisa Ramabodu in Bloemfontein and Botshabelo stadium.

Some of the key milestones achieved as part of preparing the city for the world cup include the successful hosting of marketing events such as the 500 days countdown, launching of the host city poster as well as the 2010 My schools campaign in January 2009. The Confederations Cup Countries' Cultural workshop with tourism and hospitality product owners was also held in May 2009.

Our volunteer programme for the Confederations Cup has seen over 850 volunteers enlisted in various disciplines of the tournament. Of this total, 318 were host city volunteers while the remaining were LOC volunteers.

Honourable Speaker, in the instance of tickets and ticket sales I would like to urge that as our LOC engages FIFA, local circumstances should be taken into cognisance in order to ensure as much broad access as is possible for the lay-person in the street. With many of our working communities earning in the regions of R500, R850, R1000 a month, it cannot be conceivable that such would be in a position to forego 10% of their hard earned monthly earnings to a single match.

Let us sit for a moment and think aloud. I also acknowledge that we may be late to change some of these prices but with creativity at the level of LOC and municipality, we can facilitate broader access to matches I believe.

More than forty thousand (40 000) free tickets were given to schools, radio stations to run competitions and through raffles and for those residents who are in good standing regarding payment of services in the three areas of Bloemfontein, Botshabelo and Thaba 'Nchu. Other tickets were distributed to all the towns of the municipality.

As I observed during the Confederations Cup, ticketing was a very thorny issue and although I must commend our municipality in the manner that they handled the situation, some instances were very close to getting out of hand. On Friday, the eve of Bafana Bafana and Spain match our offices were inundated with thousands of people queuing for free tickets. Saturday was no different ladies and gentlemen

As I make this humble plea to our LOC, I cannot miss an opportunity to equally urge our communities to respond as requested and buy tickets for the 2010 World Cup in time. We will not enjoy the same liberties as we did during the Confederations Cup and by the looks of the ticket sales currently, waiting much longer will be suicidal to those who have the means to buy the tickets now. Ke nako – hela yalo sani”.

To businesses and private companies, it is equally your responsibility as much as it is ours to support these events by buying tickets especially for your own workers (family members) since you are the direct beneficiaries of the economic spin-offs that accrue as a result.

Being declared the host city comes with an array of responsibilities and those of us that constantly climb on to our roofs to repair leakages from time to time, we know that when you fix one area, other adjacent areas demand attention. This scenario is applicable in this instance as well as this reward to be a host city, has unleashed a string of areas which required our attention.

We have had to make plans to incorporate the widening of streets such as Nelson Mandela drive and Parfitt Avenue. We have also pedestrianized some of our streets for free flow walking without vehicle traffic hazards.

As announced by the Premier of the Free State Honourable Ace Magashule in his State of the Province Address, we are working in close collaboration with the provincial government to ensure that we leave a lasting legacy by rebuilding the old townships of Bloemfontein, Botshabelo and Thaba Nchu such as, Batho location in Bloemfontein and Ratlou in Thaba `Nchu; by building modern houses and tarring roads.

Moving to our core business, that of ensuring that basic services are provided I am pleased to announce that during the year under review up to the end of May 2009 we have spent in excess of R180 million under the bucket eradication programme. Phase two of the project has seen 6 495 buckets removed.

While for roads and storm water, we anticipate that all projects will be completed timeously and 100% of the current year's budget will have been spent, we are still faced with a substantial backlog of gravel roads in our historical townships. In order to address these challenges we are committing to scrape these roads at least twice a year and this inevitably, requires that all our yellow fleet should be in a functional state if we are to meet this obligation.

With regard to road maintenance and patching, teams of employees are being trained to repair these roads. Local and private contractors have also been requested to prepare themselves to be involved in this exercise. I am pleased to report that we have one contractor who has fully acquired the technical know-how in this field while the other has attached his employees to our roads section for skilling.

We have made a modest achievement in relation to Municipal Infrastructure Grant (MIG) having spent only 73.19 % (**R83.6 mil of R114.2 mil**) as at 31 May 2009. We have implemented these projects in line the Expanded Public Works Programme Guidelines and as a results 2 373 jobs were created, of which 1310 were occupied by youth, 747 by women and 3 by disabled people. In total 220 030 person days in employment opportunities were created.

We have successfully completed the two phases of the Mangaung Activity Corridor represented by Dr Belcher (Phase 1) and Chief Moroka Crescent (Phase 2). These have significantly improved the road infrastructure and crowded in investment in Mangaung ( we have witnessed the burgeoning of shopping complexes and office accommodation). The net results are job creation and easier access to municipal and government service.

Many services rely heavily on the basic and visible information that should be at our disposal at all times Mr Speaker. Trivial as it may sound ladies and gentlemen – the issue of street names can be the difference between life and death. Our emergency services, the police, fire department, mail delivery services are reliant on the accurate names of streets and these determine the turn-around and response times for rendering these services.

In ensuring that these are not hampered, we have replaced 850 road signs and street names in various suburbs of Mangaung. What remains outstanding is the process of renaming streets in some residential areas. We look upon our Section 80 Committee of the Municipality to drive this process through the Economic Development and Planning directorate.

This process should take into cognisance the request by women of the province and Mangaung that the new names should be launched in August, which is traditionally known as “Women’s Month”.

Coming to solid waste management, Mangaung Local Municipality has entered into a financing agreement with KfW German Development Bank for a project on the feasibility for an Advanced Integrated Waste Management system for Mangaung.

This process will wrap up the already started Integrated Waste Management Plan and define necessary technical, financial, institutional and socio-economic frame-work for locally adapted waste treatment technologies prior to disposal, in combination with an assessment of the potential for activities under the Clean Development Mechanism (CDM) as well as a new regional landfill site that will have a hazardous cell.

Ladies and gentlemen, in order to ensure that we give meaning to our efforts to deal with solid waste, a total of 90 Auto bins were delivered to 12 schools as part of the cleanest hawker and cleanest school competition while on the side of enforcement, 3 of the 4 officers that were sent for peace officers training passed the course fully.

As a municipality we are looking at registering illegal waste reclaimers for each of the landfill sites, with the intention to empower these reclaimers to manage their businesses properly so that eventually, they are able to participate in the mainstream economy.

During the year in review, we were able to meet all statutory and institutional requirements such as developing, approving and implementing new rates policy. This process as well as the public participation process that ran parallel to it, were concluded in November 2008. This policy has now been approved and will be implemented as of the first of July 2009.

We have successfully completed the first phase towards the compilation of a compliant asset register as required by law. We anticipate that this whole project will take 24 months to complete.

Honourable Speaker, I am glad to announce that as of the first of July 2009 we will be incorporating the pro-poor policy into the recently approved indigent policy. However the implementation effect will be from the 1<sup>st</sup> January 2010

The good news to those qualifying indigents above all this is that all outstanding debts will be written off as per the resolution of the Council taken on the 16<sup>th</sup> of May 2008. The implementation of the indigent policy will be announced through electronic and print media.

It will take a long time in order for us to erase the far reaching implications of the negative impact of the apartheid policies and legacy. The backlog of services created by this monster will be with us for quite some time to come however as a Council, we took conscious decisions that we needed to deal with infrastructural backlogs decisively.

We have in the process and successfully so, completed an application for a loan amounting to R 200 million from the Development Bank of Southern Africa. Some of the requirements were that the application should comply with section 48 of the Municipal Finance Management Act and also, that this application should be made public. The final decision will be made by DBSA in July 2009, and we are hoping that it will be successful.

As descendants of the great leaders that were born out of the African National Congress, we will be judged by the decisions we took in the interest of the majority of our people. Reversing past legacies requires decisiveness and deliberate action to obliterate all forms of inequalities. Our decision to apply for the loan was based on this premise.

Mr. Speaker I am proud to announce that we have managed all of these achievements within the confinements of the strict directives, with regard to the curbing of employee related costs, issued to us by National Treasury. As you are aware the municipality has been set a target by National Treasury to maintain a ratio of **29%** for salary expenditure in relation to the total income of the municipality.

While we have made these achievements, we still remain very far from satisfying the most basic needs of our people. Since November 2008, concerted efforts have been made to ensure that organizationally, this institute is positioned such that it is able to discharge its constitutional mandate. Honourable Speaker, this has been one mammoth task as we focused on rectifying the attitude of our employees and changing the mindset.

It has been our view that the personnel of our institution and their attitude towards their own work and responsibilities determine the rate at which we will be able to reach the priorities and imperatives as set out in the Integrated Development Plan.

In this regard I have embarked on staff road-shows from the 18<sup>th</sup> to the 27<sup>th</sup> of May 2009 trying to understand the causes of discontentment and negative approach of our personnel. I must say this has been an eye opener given the many views that were expressed. I largely acknowledge that most of these were valid and that there was a need for the organization to introspect.

There can never be reasonable and acceptable excuses for some of the complaints to take four years to be attended to, referring to the article that was published by Express in May where a resident had been laying complaints about leaking drinking water with the municipality for such a long time.

Such tardiness should be discouraged and be treated with contempt. Why should incidents of such routine nature have to remain unattended to a point that they end up being raised with me? To the community, let us not despair, we will get there – to the new “Jerusalem” as was foretold by JT Gumede as far back as 1927, a legendary who came through the ranks of cadreship to become one of the great leaders of the liberation movement.

In preparation for all the legislative imperatives for the new financial year, we embarked on public participation processes sourcing the views of the communities on both the draft budget and the Integrated Development Plan for review purposes. I must applaud our communities for actively participating in these engagements and I must say, our documents have been substantially enriched by your inputs and should go a long way in assisting us to respond to the needs out there.

Out of these interactions we have adopted as a municipality, a two pronged approach in order to meet our service delivery mandate. The first approach focuses on using own resources – especially those of Economic Development and Planning, Community and Social Development, Financial Services and Infrastructural services to render direct municipal services. The second approach is that of using the municipal business entity Centlec, to provide electrical services.

Going forward, all these processes have assisted us to visualize and conceive how best we will be able to deliver services to our communities. In doing so, we have also aligned our resources allocation accordingly to respond to these challenges. I now wish to present before this house the budget of the Mangaung Local Municipality for the 2009 and 2010 financial year and the MTREF period.

Ladies and gentlemen, Honourable Speaker consideration was made during the drafting of the budget that the need for infrastructure repairs and maintenance as well as 2010 World Cup driven activities would grow the budget at a rate much higher than the anticipated 10%.

In view of this, there was a need to curb substantially on this rising trend and expenditure such as on conferences and use of consultants, refreshments and travelling expenses. This was done so that we did not compromise on provision of services such as maintenance of sewer and road networks.

The 2010 Soccer World Cup continues to put pressure on the municipality's ability to fund Capital Budgets projects. Council took a conscious decision to channel its resources on projects that are 2010 related over the past two years. Only 2010 related and grant funded projects, are being undertaken.

The implications of this move are that our list of backlogs mainly in infrastructural projects is unfortunately not decreasing but increasing. The above have been the internal considerations which restricted us to perform and stretch the rand that the municipality has to perform its constitutional mandate.

The operating environment for a municipality is also affected by external forces which we have no control over. With the current surge in food prices and dwindling market forces as a result of the recession, it is only prudent for a municipality to take these into cognisance as we plan. This budget was prepared, having taken into account the prevalent and projected economic slowdown over the next eighteen months to two years predictions.

The municipality's response to the current economic crunch has been to effect the implementation of the Indigent Policy as of 1 July 2009 to try and insulate our most vulnerable communities from its negative repercussions. The aim of the policy is to grant exemption to the qualifying indigent members of the community

from paying for their municipal services (i.e. property rates, water, electricity and sanitation services).

R4 million has been set aside in the Capital Budget for the installation of pre-paid electricity meters. The ultimate intention of Council is to spend R29 million over the MTREF period for converting conventional electricity meters of indigent households to pre-paid meters.

The biggest challenges facing the municipality are in managing its ever increasing debtor's book and managing its operating costs down. Plans have already been put into place to manage the debtors books and these include amongst others:

- Appointment of a specialist team to assist with the collection of Government Debt;
- Pursue only those who have to pay and,
- Appointment of a debt collection agency

I am confident that we will see the full impact of these appointments within four months of the new budget year. It is evident from the above that the city has been leveraging grants and subsidies to fund its capital projects (63%). This is mainly due to the depleted Capital Replacement Reserves (CRR) over the years.

The municipality has recently held a Revenue Enhancement Lekgotla, with the aim of exploring alternative sources of revenue and measures of improving existing income sources. Some of the key considerations and decisions taken at the Lekgotla for further investigation are:

- Improving the management of rental stock properties;
- All properties not constituting the core business of Council are to be re-assessed for disposal or long lease;
- Establishing a development fund to initiate future developments that are of an income generating nature;

- Reviewing lease agreements with sports clubs and other social facilities in order to adjust rental charged and where applicable, existing contracts will be re-negotiated.

We will be improving infrastructure developments in the Bloemfontein Zoo in preparation for the FIFA 2010 Soccer Tournament. As we prepare to host the games, all supporting tourist attraction should be of a high standard since our aim is to ensure that we attract more visitors in future.

R3 million is earmarked for spending on roads and storm water construction at 2 new Cemeteries for Botshabelo and Thaba Nchu respectively. We were able to leverage resources from MIG .

Social amenities are important in diverting the energy of our youth away from destructive behaviour such as drug and substance abuse. To this effect we will be rehabilitating Mangaung and Botshabelo swimming pools.

Honourable Speaker our 2010 World Cup footprint will not only be restricted to the main venue and accredited training grounds as we have set aside budget to upgrade during the coming financial year, 3 other stadiums in our municipal area.

A total of R74.59 million will be spent within the municipal area to provide road and storm-water services. In line with our commitment, certain roads will be resealed while others will be upgraded in different wards in the municipal area. Improvements will also be carried out on road intersections and bridges will be rehabilitated. This will ensure that essential services reach our communities irrespective of weather conditions. The movement of our people will also not be restricted.

R5, 4 million will be spent for cleaning and upgrading of our landfill sites so as to ensure that they are within the set standards.

For provision of water and sanitation services throughout the municipal area, we have set aside R137.8 million. This allocation will be used to upgrade the capacity of our wastewater treatment works, refurbishment of our sewer system, upgrade of sewer network in Freedom Square, upgrade of Grassland and Bloemspruit sewer mains and provision of basic sanitation to 5059 ervens at Botshabelo, Grassland and Hillside.

The above allocation will also cater for the bucket eradication programme in Bloemfontein and Botshabelo. Honourable guests this is consistent with service delivery targets set by government of ensuring that all citizens have access to basic **sanitation by 2009?**

We will be spending **R37 mil** to provide water services throughout the municipal area. This entails the provision of water reticulation to 1588 ervens in Botshabelo, Grassland and Hillside View. The Naval Hill Reservoir will also be refurbished and upgraded.

**R79 million has been allocated to Centlec** to facilitate electricity connections to households, upgrading the Electricity infrastructure and network as well as for provision of smart meters and pre-paid meters for electricity

Mr Speaker, we will be using the EPWP guidelines in implementing the mentioned infrastructure projects to enable us as a municipality to contribute toward job creation and development of skills and business acumen amongst members of our communities.

Mr Speaker we are duty bound to expend efforts in ensuring that as a municipality we contain the HIV/AIDS scourge afflicting our citizens and we will be providing extensive training, care and support as our contribution towards reducing the HIV/AIDS prevalence. We would also like to urge our communities

to be more responsible for their lives and engender a changed and accommodative attitude towards those infected and affected by HIV/AIDS.

We will be spending **R5 million rands** to implement the second phase of the Asset Management system project, which aims to produce a GRAP Compliant Asset Register for the municipality, during the course of next year financial year. This lays a solid basis towards seeking to obtain a Clean Audit in the next two years (2010 /2011).

This asset register ladies and gentlemen is like a sore eye to many government institutions as the Auditor General always comes harsh on the issue of management of assets. This is consistent with the clarion call made by government that all government entities across spheres of government should obtain Clean Audit by 2014 within the ambit of Operation Clean Audit.

Mr Speaker the ability to collect revenue owed to the municipality is its lifeline and central to its ability to discharge assigned developmental mandates flowing from the Constitution of the Republic of South Africa. As we speak, the municipality has a debtors book of more than R801.6 million that inhibits our primary business of providing services.

Mr Speaker we are projecting to recover a minimum of 80% of the revenue owed to us within the next 24 months through the implementation of the revenue enhancement strategy that will guide our action. As we unleash this strategy we anticipate that we will see:

- The implementation of credit Control - handing over debt to the Debt Collectors:
- Greater emphasis placed on 80 % of our revenue sources and large debtors through dedicating personnel to those accounts.

- A data cleansing exercises conducted to authenticate our consumer accounts database and thus enhance the credibility and integrity of our billing system;
- Strive to have Mangaung as a pre-paid city for electricity services for all households

In ensuring that we maximize our revenue collection we will be setting time frames to ensure that these engagements bear fruit, failing which we will take robust credit control measures against our own provincial government and communities.

Also, we will be embarking on two complementary supporting projects, firstly a water leakage project aimed at fixing leakages in areas where there is high consumption of water to minimise wastage, which result inadvertently in high household accounts. Secondly, together with Centlec, we will be taking drastic measures to curb electricity line losses brought about by illegal electricity connections

Mr Speaker, it is a civic duty of each resident to pay for municipal services and therefore it will be imperative that we embark on civic education programmes to encourage those who are able to pay to pay. This should be bolstered by an effective communication strategy to demonstrate to communities the vicious cycle of rendering services and recouping costs through rates and taxes.

The involvement in this endeavour of all councillors, Community Development Workers (CDW) and ward committees in assisting with our communication agenda and identification of indigents cannot be overemphasised.

Mr Speaker I wish to applaud you for having initiated the process of re-establishment of ward committees. I however wish to advice that this matter

should be handled with sensitivity and that this process should be expedited as these committees are critical vehicles for service delivery.

To fight fraud and corruption Mr. Speaker, we have, through the assistance of our Internal Audit division established the Anti-Fraud and Corruption Unit. This unit will work hand in hand with our Internal Audit Division to eliminate fraud and corruption within Mangaung.

The fraud hotline for Mangaung will be launched in the new financial year. This hotline will be administered internally by these two units (i.e. Internal Audit and Anti-Fraud and Corruption).

In closing Mr. Speaker, honourable ladies and gentlemen, I am pleased to inform that we intend to keep our employee related costs within the 29% directive as issued to us by National Treasury. However and most importantly we will ensure that critical posts that are essential for providing quality service delivery in relation to provision of effective and efficient services to our communities are filled.

In the mist and uncertainty of the changes that are inherent with transition and transformation, I wish to put forward this excerpt for all our valued primary stakeholders- communities, business community and organized labour, consumers and users of our services, our debtors and creditors, our hard working officials and all those that will be impacted upon by the transition of Mangaung Local Municipality to Manganung Metropolis;

**“Change has a considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may get worse. To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better”**

Honourable Speaker and this august house; I wish to extend words of thank you to the family that supports me as I perform my duties. Words of gratitude to all the Councillors for their support and to all officials for their hard work and dedication.

Ladies and Gentlemen, I thank you..

**Cllr. K. F. Morule**  
**Executive Mayor**