



2014/2015 BUDGET SPEECH BY HER WORSHIP THE MAYOR OF THULAMELA MUNICIPALITY CLLR MAHOSI N.G

Venue : Council Chamber

Date : 30 May 2014

Time : 10H00

- **CHAIRPERSON OF THE COUNCIL HONOURABLE SPEAKER CLLR BALOYI M.E**
- **THE CHIEFWHIP OF THE COUNCIL HONOURABLE CLLR MUTOTI N.W**
- **EXCO MEMBERS**
- **SECTION 79 CHAIRPERSONS**
- **SENIOR TRADITIONAL LEADERS**
- **COUNCILLORS**
- **MUNICIPAL MANAGER ADVOCATE MATHIVHA MAKONDE & HIS SENIOR MANAGEMENT TEAM**

- **BENEFICIARIES OF DONATED HOUSES BY THULAMELA MUNICIPALITY.**
- **SECTOR DEPARTMENTS**
- **COMMUNITY STRUCTURES**
- **THULAMELA BUSINESS PEOPLE**
- **THULAMELA COMMUNITY**
- **DISTINGUISHED GUESTS**
- **AND ALL PROTOCOL OBSERVED**

I have an honour to be given an opportunity to carry this political relay marathon baton to mark the collective completion of 2013/2014 financial year. This also marks the presentation of our third Budget, Organizational structure and the IDP of Thulamela Municipality. This momentous occasion also gives us an opportunity to present a Programme of action to guide our financial commitments for 2014/2015 fiscal year.

It is befitting to indicate that this year we celebrate twenty years of freedom and democracy in our country, where we all have a reason to celebrate a successful conclusion of our second decade of our democracy. The president of the country gave a comprehensive report of the people of South Africa, on what has been achieved over 20 years of our freedom, as well as what still needs to be done to move South Africa forward.

HONOURABLE SPEAKER

Let me once again take this opportunity to congratulate the ruling party`s victory during 2014 national and provincial elections. The victory confirmed how deeply rooted the ANC is in the hearts and minds of the overwhelming majority of South Africans.

It is also a strong sign of approval of the good work we have done in the past 20 years in general and the last five years in particular in building a better life for all.

I proudly feel free to announce that Vhembe District and Thulamela in particular has scored significantly in this victory. Provincially we were able to occupy 4 significant seats at the legislature namely; Speaker Ramadwa Merriam, and three MECs namely Nandi Ndalane, Thembi Nwendamutswu and Jerry Ndou. Nationally we also obtained 4 seats in the Parliament of South Africa namely; Deputy President Ramaphosa Cyril and 3 ministers Collins Chabane, Masutha Michael, Muthambi Faith and Deputy minister Mabudafhasi Rejoice.

HONOURABLE SPEAKER

Apart from our congratulation, I also wish to pass this motion of sympathy. Thulamela Municipality has suffered two tragic accidents which took away 15 lives. Ten (10) people lost their

lives in a collision of a bus, taxi and a sedan along PundaMaria road next to MTG funeral undertaker. The other accident took place along the very same road and five (5) lives were lost and burnt beyond recognition. We also pass our condolences to the family of an American legend, poet, and warrior for equality, tolerance and peace, Maya Angelou who passed on peacefully at her home in United State of America. May their souls rest in peace.

We also make a call to Thulamela community to join hands and support the Bring Back Our Girls campaign of about 200 girls who were abducted from the boarding school, as a result of ongoingPolitical conflicts in Nigeria.

HONOURABLE SPEAKER

The budget we are presenting today is designed as the foundation to set out a resource plan, for intensified implementation of the National Development plan, which obliges for intensified economic and social transformation.

The craft of this budget is also driven by our commitment to care for all our people. We sought to balance the utilization of human environment and financial resources not only as a legacy but our heritage as the promising municipality.

The reigniting of what we consider to be the true engine of our economy, will remain our reliable tool to respond to

the challenges of our people. We are also bound together by a set of values enshrined in the founding document of our democracy - our Constitution, local government manifesto and the municipal core mandate, that automatically serve as the driving force to realize our 2030 vision of becoming a city by the said year.

HONOURABLE SPEAKER

Thulamela municipality continues to walk through the path of development, taking heed of the backdrop of global economic uncertainties. Our strategies of poverty alleviation and the strengthening of our rural economy still form part of our economic agenda, backed up by our loyal technocrats and most informed political leadership.

As Thulamela municipality we have no doubt, whatsoever in our minds that we have made significant inroads in establishing sustainable livelihood, which cannot be done without a sustainable budget. In an effort to improve our service delivery priorities, our spending pattern should always be guarded.

HONOURABLE SPEAKER

It is also worth mentioning that the budget laid ahead of us today, our Integrated Development Plan and consultation meetings with communities certainly put us at the path to

defeat poverty and intensify our socio-economic freedom. In partnership with our Communities, Local Business people, Traditional Leadership, Sector departments, Provincial and National sphere of government, a society based on democratic values, social justice and fundamental human rights shall prevail.

Thulamela Municipality's vision 2030, our Spatial Development Framework, Urban Regeneration Strategy, our Comprehensive Rural Development Program in conjunction with the National Development Plan mandates for a clear roadmap for broad based growth and development. The creation of growth path to address poverty should be assessed through ***Duncan Green's writing, which says that "people living in poverty must take or create power over their own lives and destinies"***. On the other hand the state must ensure that both the quality and quantity of economic growth meet our developmental needs.

HONOURABLE SPEAKER

It is through our consorted efforts that we traverse this path with inspiration of not losing sight thereby becoming the world-class municipality. We have also developed a sustainable public awareness campaigns to improve in revenue generation that can sustain our major priorities.

However we will never be despondent about our escalating number of debtors in our municipality. Instead we derive our

hope from our economic history and the sound management which excels in the better use of our master`s resources (rates payers).

We are quite confident that through the strategies at our disposal, our communities will realize that the success of our budget will be through the paying for their services, register in the indigent database, register in their voter`s roll and to wisely harness available resources at our disposal.

Through our mechanism of using most of the chain shops as our pay point`s remarkable improvements has been noted.

HONOURABLE SPEAKER

Thulamela municipality is considering to take a ward based budgeting. This is the model of proportional allocation of budget based on the output. Our financial firm ground lies on our will and strategies which can remove us from our stagnant revenue collection. We are trying to foster a positive investment climate in our municipality and set ourselves on an elevated trajectory. We aim at implementing strategies that tends to address our financial challenges. We know and acknowledge that we still have a long way to go, we are however ready to play our part.

In view of the local government mandate our areas of focus on service delivery will continue to ensure inter alia that:

- We encourage participatory democracy by marrying our programmes with public participation ethics as enshrined in Chapter 2 section 15 subsection 1(c) of our constitution.
- We should access more and more of our people, especially exposing youth to adequate education and training to enable them to participate productively in the economy and society.
- We are to expand the provision of clean water, electricity, sanitation and roads in rural communities and empower communities to end hunger by productively using the available or redistributed land.
- We should again and again support small enterprises, cooperatives, informal sector, and rural small farmers. We will establish community and village markets with non-financial and financial means, as a way of ensuring food security while improving household and community income.
- As a caring nation we need to intensify and equitably distribute resources to our special groups such as the people with disability, women and children.

HONOURABLE SPEAKER

Allow me to quickly proceed and outline our achievements as per departments and programmes.

PUBLIC PARTICIPATION

Public participation plays a critical role in deepening democracy and promoting good governance in local governments. Citizens' involvement in governance processes ensures that their experiential and grounded perspectives inform government on their needs and how these needs can best be addressed. The new democratic government emphasized the need for critical engagement between itself and its citizens.

It therefore, came as no surprise that public participation is a key Constitutional principle, which clearly states that "people's needs must be responded to, and the public must be encouraged to participate in policy making and participatory budgeting of local municipalities." So says, section 152(1) of the constitution". On the same vein, Municipal Systems Act 2000, section 16, obliges municipalities to 'develop a culture of municipal governance that complements formal representative government with a system of participatory governance.

According to our Premier Stan Mathabathe in his state of province address, "Most of the innovative ideas and suggestions relating to improvement of service delivery have been sourced through Public Participation outreach programmes". Thulamela has also learnt a lot through these human centric interactions.

HONOURABLE SPEAKER

Our budget is therefore informed by spending priorities and participatory development voted by the communities as the means of accountability enhancement and the implementation of good governance.

Our “*IMBIZOs*” which are held quarterly, have turned to be the most focal programmes whereby communities are able to voice out their grievances. During 2013/14 financial year we have visited three wards, namely: Ward 39 where community members assembled at Vhudimbilu village, Ward 31 community members assembled at Phiphidi sport ground and Ward 30 where community members assembled at Tshiombo sport ground. A total number of 4 houses were pledged, 3 completed and 1 at Maranzhe not yet started.

This was made possible simply because we work hand in glove with our Ward councilors, traditional leaders, CDWs, and other community structure.

We have also made a provision for Thulamela Municipality Mayors’ Bursary Fund for 2014/15 financial year. This simply means that for 2015 academic year another batch of five (5) students will catered for.

REVENUE ENHANCEMENT

Thulamela Municipality is a grade 4 Municipality, which in terms of population is rated with Metropolitan municipalities. Our average monthly collection of debt which was at 40% by the end of February 2013 is impressively improving through our revenue strategies.

We anticipate further improvements as the process is on-going and will pursue same strategies in the next coming financial years.

HONOURABLE SPEAKER

Governance Department through the Office of the Mayor continuously embark on Mayoral outreach programmes, Mayor/Mahosi/Tihosi Forum and Tribal Authorities visits with the aim of intensifying our relationship and encouraging consumers to pay for services.

RISK MANAGEMENT

The Risk management processes in the municipality are managed in line with the approved risk management policy and strategy. Departments are reporting on quarterly basis on the management of identified and prioritized risks within their various sections. Council should therefore ensure that all mitigating measures planned for by the departments are

backed by the necessary resources and challenges identified are swiftly dealt with.

HONOURABLE SPEAKER

The independent audit committee reviews the risk management reports and advice council on the effectiveness of controls deployed. Council should however plan for the establishment of the dedicated risk management committee which would deal specifically with risk management processes and advise the accounting officer as required by the National Treasury's Risk Management framework.

FIGHTING FRAUD AND CORRUPTION

Our municipality has realized that far too many people in our territories become the victims of senseless crimes. Criminals are seen to be having the potential to undo all the good work that has been done by our municipality. Municipality should create a conducive environment for law enforcers to operate effectively in their fight against crime. It is for this reason that we are embarking on a massive project of streetlights.

The municipality will always demonstrate zero tolerance to corruption and fraudulent activities. Communities are also

encouraged to report all incidents relating to fraud and corruption to the district shared hotline.

As a municipality we will ensure that all incidents reported are followed up and investigated.

The hotline number is 086 66 8538

ROADS AND STORMWATER

During 2013/14 financial year the department was tasked with the responsibility of ensuring people`s access to all areas, including those that are for commercial purposes. Having realized the need to upgrade all our roads, the department is now spearheading community road surfacing partnership. Apart from our developed Road Master plan, communities such as Lwamondo, Tshishushuru, Tshisaulu (Riverside) and Gandlanani (Sasekani) are at an advanced stage of establishing their trust funds. This signals a real breakthrough in intensive partnership with our communities on delivery of services.

HONOURABLE SPEAKER

Our milestone are also characterized by the upgrading of Thohoyandou G street 6km, Ngwenani sokoutenda road, Backside Iyani 2km, Malamulele B1 streets 1.9 km, Malamulele streets phase 1(Gateway) and two projects namely Unit E Magidi Mbaleni extention 3.8 km, Makwarela Extention linking & opening streets 8.7 km which are recently at Tender stage.

Through our EPWP Programme, our municipality has embarked on Kharishumisane program, whereby 160 beneficiaries from villages around our municipality have been employed. Villages such as Maranzhe benefitted culverts constructed through our labour intensive Programme. The same initiative is intended to be used in road maintenance programme.

Roads and storm water is a serious challenges for developments. Cities that have experienced these challenges realized that there is need of a storm water strategy. This Municipality has in advance developed Storm water Management Plan. This confirms the Municipality's readiness in realizing its intended objective of attaining the city status by 2030. Santam Business Adopt a Municipality (BAAM) has also pledged support in this regard.

ELECTRICITY

HONOURABLE SPEAKER

During 2013/14 financial year 4545 households were electrified. 8% of those households enjoyed our free basic electricity. For 2014/15 financial year a total number of 6363 units will be electrified. Those who qualify will also get free basic electricity. Our backlog lies at about 15000 households form the 60, 000 backlog we had in 2001.

The loan obtained from DBSA has served as the most instrumental tool to make it possible that we meet the universal electricity access target.

This new initiative with DBSA has also made it possible that during this coming financial year we will be working on allocations that were meant for 2015/16 and 2016/17 financial years. Through an added commitment made by DBSA an amount to cover our 15 000 households backlog could be on the way as I am talking. This leaves Thulamela municipality with no option but to guarantee our communities that Universal Electricity Access will be realized by the end of this coming financial year. We should also bear in our mind that free basic electricity will always be made available to our registered indigents, hence we are still encouraging our communities to explore other low cost energy sources as required by energy efficiency strategy.

HONOURABLE SPEAKER

Besides the above, our municipality is busy rolling out projects such as Energy Efficient Demand Side Management (EEDSM) and public lighting from Thohoyandou JJ Motors to Sibasa Caltex Garage.

The initiative above also intensifies our capability to possess our own Electricity License which is in progress and fully supported by Department of Energy & Treasury, SALGA

Limpopo, DBSA, COGHSTA and Eskom. This should also be accompanied by civic education on how we can use our electricity sparingly.

HOUSING

At the beginning of our 2012/13 financial year we had a backlog of 27 000 households without access to low cost housing. An allocation of 2113 houses was granted of which 236 units were withdrawn by COGHSTA due to inaccessibility to the areas, however through our intergovernmental relationship with Makhado municipality, COGHSTA was contacted to rescind their decision and re-allocate those 236 units to Thulamela Municipality using PHP approach. No allocations were made for 2013/14 financial year.

More than 80% of our housing allocations are completed and the remaining 20% face technical challenges such as doubled benefits and home affairs logistics. Over and above that, through our private public partnership we have also managed to allocate fourteen (14) emergency housing units combined with the Mayor's Imbizo pledges. We managed to build 11 housing units, while the remaining 3 are due for completion before the end of 2014/15 financial year.

Thulamela municipality is also on the verge to receive its Level 1 accreditation on housing delivery which indeed will reduce our massive backlog in this sector.

Backlogs are however extremely increasing on a year to year basis due to a drastic growth in our population.

COMMUNITY SERVICES

Traffic road safety

Financial year 2013/2014 marked our major improvement of moving away from a manual system of executing warrant of arrests to automatic recognition system which identifies offenders electronically. The installation of Artemis camera at khoroni intersection works hand in glove with the above-mentioned system. The two systems are seen as some of the major tools that will help to enhance our revenue in the next coming fiscal year`s.

Registration and Licensing

Our registration and licensing department was also furnished with computerized roadworthy machines in both Malamulele and Thohoyandou testing stations. We are also on the verge to upgrade our testing track which will also help in issuing motorcyclists license, thereby improving in our sources of revenue.

Every year during festive seasons, our municipality `s Disaster section, traffic road safety in partnership with Vhembe District Disaster Centre establish joint operational centers around Thulamela for arrive alive Campaigns. For the year 2013/2014

festive seasons Thulamela Municipality experienced a total of 58 accident calls, amongst those P1 (very critical)= 2, P2 (less critical)= 24, P3 (minor injuries)= 21, P4 (death)= 4.

Parks and cemetery

We have reserved a budget for upgrading of Thohoyandou Unit C Park. The park is only waiting for approval of business plan by the Department of Environmental affairs. Establishment of Shayandima and Thohoyandou Block G parks is also in an advanced stage.

Environment and Waste Management

Thulamela Municipality continues to maintain its environment in order to create its improved tourism image which is aligned to our 2030 vision. Our municipality won the KAMO AWARD for being best municipality in implementing EPWP projects under the environment and culture sector. We also took position 1 in Vhembe district under the greenest municipality competition and won a trophy topped up with R25000-00. We were also honoured with R50 000 -00 for obtaining position 3 in Limpopo Greenest Municipality competition. During 2013/14 financial year we created in excess 500 job opportunities. We successfully commissioned a youth job in Waste EPWP Programme worth R 6 million with grant funding from Department of Environmental Affairs. Our target of establishing

at least four (4) transfer stations was realized, which are Makonde, Xikundu, Mulenzhe and Tshaulu respectively.

Our new landfill cell was successfully constructed at R 1.5 million. And lastly Thulamela is proud of our lady truck driver employee who won the best Driver of the year competition in Vhembe District and Limpopo province. Our Integrated Waste Management strategy has been reviewed: At least 49 618 households have benefited from refuse allocation.

We are proud to announce that we have been chosen nationally for climate change toolkit. We are due to receive funding from national government for climate change adaptation plan.

For 2014/15 financial year we have a plan of implementing five EPWP projects worth R4.5 million. We also anticipate to secure more funding for EPWP projects from Department of Environmental Affairs.

PLANNING AND DEVELOPMENT

During the 2013/2014 financial year we have developed the Saselamane and Lwamondo nodal points as part of promoting rural development, creating employment opportunity and bringing services closer to the communities. The department of Corporative Governance, Human settlements and Traditional

affairs has also assisted us with the demarcation of 500 sites at Lufule of which the process is still underway.

We have recently appointed service providers to assist with the demarcation of 3000 sites in various areas within the municipality which will run through in the 2014/2015 financial year. This is done to ensure that there is proper planning in our settlements.

Our planning and development of our municipality relies on Spatial Development Framework which enhances the implementation of IDP spatially. It gives effect to the principle of land development, set out objectives that reflects the desired spatial form in our municipality and also set out basic guidelines for land use management.

Through the basic principles of Spatial Development Framework Thulamela Municipality was able to develop 11 nodal points as the means of bringing service delivery closer to communities. Those nodal points are Sibasa/Thohoyandou, Malamulele, Saseleman, Tshitereke, Tshaulu, Mukhomi/Gumbani, Makonde, Tshikombani, Gidjana/Mtititi Madonsi, Lwamondo and Mhinga/Lambani.

Our development in these nodal points focuses on the establishment of accessible road links which automatically serve as strategic networks to the establishment of a fully-fledged town and more urbanized type of settlement.

Apart from those nodal points there are major projects such as the giant development of an intermodal facility Taxi rank complex next to Eskom with its newly established bus drop-off points. The project is completed and still awaiting close-up report by the department of Roads and Transport. This will automatically serve as a catalyst in the establishment of new Rural or Community service centres which in a sense is identifying and developing new emerging settlements.

LED

The Local Economic Development (LED) unit forms part and parcel of planning and development. It involves some degree of structured co-operation between the coordination of activities of various stakeholders in our local economy. In all the sectors such as Tourism, Agriculture and SMMEs the following has been achieved during 2013/2014 financial year: construction of Thulamela Heritage Site name plate at the KNP, fencing of Tswinga Agric project through our LED program, and training of crop production farmers / co-ops by the Agriculture Research Council.

Through our SMMEs programmes we were able to establish Malamulele Business Forum (MBF) and Thohoyandou chamber of business and industry (TCBI).

For 2014/2015 our anticipation lies mostly in our Agricultural and Tourism sector. We will install our cabling infrastructure to Thulamela Information Centre, which will be soon opened officially. Revitalization of Mukhwathisi juice manufacturing project at Tshalovha also forms part of a plan. The project will be funded by Agricultural Research Council & Rural Development. That will also be accompanied by procuring of Achaar processing equipments for Tshifudi community.

Job creation

We have created 1347 jobs through Community Workers Programme. In addition we have a number of seasonal workers who came in and out to render several programs as responses to our project needs.

HONOURABLE SPEAKER

All these developments characterize our 2030 vision of becoming a city, which indeed is becoming a reality.

HONOURABLE SPEAKER

Allow me to present this tabled Budget for 2014/2015 financial year as mandated by Municipal Finance Management Act (Act 56, of 2003). 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 budget process is

guided by National Treasury Circular to all municipalities to conform to sections in the MFMA. Circular no.70 and 72 was issued by National Treasury for the 2014/15 MTREF.

REVENUE

The projected income for 2014/15 financial year is R883, 6 million while the previous year was R740 million. The change is substantial as a result of the following:

The Assessment rates for 2014/2015 financial year is R103, 8 million while in the previous financial year it was R 35 million. There is an increase of R 68, 4 million. This huge increase is because we are going to implement the new Valuation roll property rates.

Traffic fines for 2014/2015 financial year is R3 million while in 2013/2014 financial year it was R 1 million. There is an increase of R 2 million.

Fine for illegal use of land is budgeted for R 6.2 million, while in 2013/2014 financial year it was budgeted zero. There is an increase of R6, 2 million.

Rural land sale is budgeted for R 1, 5 million, while in 2013/2014 financial year it was budgeted zero. There is an increase of R 1, 5 million.

Selling of sites is budgeted for R 92 million while for 2013/2014 it was budgeted R 3 million. There is an increase of R89 million. We are having ±187 hectares for business area in Malamulele, Thohoyandou J and K area and other residential sites in various areas. We are anticipating to get huge amount than last year.

Energy Efficiency and demand side management grant was budgeted for R 5, 4 million in 2013/2014 financial year while in 2014/2015 financial year it is R 4 million, there is an increase of R 1, 4 million.

The Equitable Share Grant provided for 2013/2014 financial year was R 290 million and in 2014/2015 financial year it will be R 338 million. There is an increase of R 48 million from previous financial year

Municipal Infrastructure Grant for 2013/2014 financial year was R 103 million and has increased to R 126 million for 2014/2015 financial year. There is an increase for R 23 million

Some of grants and items have decreased although the average changes ended up as an increase. The following are the grants and items which decreased:

The Neighborhood Development Programme Grant was R25 million for 2013/2014 financial year and decreased to R 15 million for 2014/2015 financial year.

Long term loan was R70 million in 2013/2014 financial year and in 2014/2015 financial year and R45 million has been budgeted for re payment of the portion of 2013/2014 financial year loan to DBSA.

The INEP Grant Budget was R 50 million for 2013/ 2014 financial year while in 2014/2015 financial year it will be R 45 million. There is a decrease of R5 million.

The tariff increament has been provided for as per guidelines received on the predicted trends in the Inflation Forecast (CPIX)

The following is the total Revenue Summary for 2014/2015 Financial year:

DESCRIPTION

AMOUNT IN R

ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT (EEDG)	4 000 000 mil
EPWP- EXTENDED PUBLIC WORKS PROGRAMME	1 737 000 mil
INEP (ELECTRICITY) GRANT	45 000 000 mil
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)	15 000 000 mil

EQUITABLE SHARE	338 467 000 mil
FINANCE MANAGEMENT GRANT (FMG)	1 600 000 mil
MUNICIPAL SYSTEM IMPROVEMENT GRANT(MSIG)	934 000 Thousand
MIG (MUNICIPAL INFRASTRUCTURE GRANT)	126 460 000 mil
LONG TERM LOAN	45 000 000 mil
ASSESSMENT RATES BUSINESS – <i>Note 1.</i>	103 824 251 mil
VAT REFUNDABLE	35 000 000 mil
TRAFFIC FINES	3 000 000 mil
INTEREST EARNED	16 000 000 mil
INTEREST RAISED: ARREARS ACCOUNTS	14 000 000 mil
RURAL LAND SALES AND FINE ILLEGAL USE OF LAND	7 795 804 mil
OTHER OWN REVENUE – <i>Note 2.</i>	125 822 369 mil
TOTAL	883 640 424 mil

Note 1. *Assessment rate is increased because we are anticipated to implement the new valuation roll, which includes some of the rural area.*

Note 2. *The following are some of the other revenue: Advertising, Burial fee, clearance certificate, Building plans, General levy, rezoning, refuse removal, application of subdivision, application of deeds of grant, licensing and registration*

EXPENDITURE

SALARIES, WAGES AND ALLOWANCE

The salaries and wages expenditure for 2013/14 financial year is R 170 million and it increased by 6.79% to R 183, 8 million for 2014/2015 financial year according to circular 71 and 72.

GENERAL EXPENSES

General expenses for 2013/2014 financial year was R 227 million and has increased to R 244 million for 2014/2015 financial year, there is an increase of R 16.8 million.

Electricity projects budget is at R45 million and this expenditure is funded by Long term loan of R 45 million that is to be acquired. We also budgeted R45 million to repay the 70 million electricity loan for 2013/2014 financial year.

Re-Gravelling of streets budget was R 3, 8 million for 2013/2014 financial year and it increased to R 8, 5 million for 2014/2015 financial year. There is an increase of R4, 7 million.

REPAIRS AND MAINTENANCE.

The repairs and maintenance has been allocated R 26 480 000 for 2013/2014 financial year and has decreased to R 26 440 000 million for 2014/2015 financial year. There is a decrease of R 40 000 in 2014/2015 financial year.

DEPRECIATION.

This is the requirement of GRAP presentation in respect of assets. For 2013/2014 Financial year an amount of R44 million was budgeted and R 47 million for 2014/2015 financial year. There is an increase of R 3 million.

CONTRIBUTION

Provision for bad debts was budgeted at R 50 million for 2013/2014 financial year, while R 42 million for 2014/2015

financial year has been budgeted. There is a decrease of R8 million.

The collection rate of 2013/2014 financial year was 40% for the amount billed, while 50% collection rate is budgeted for 2014/2015 financial year, which means collection rate must be increased from 40% to 50%.

CAPITAL ASSETS

The capital budget was R 221 million for 2013/2014 financial year while is R 333 million was budgeted for 2014/2015 financial year. It has increased by R 112 million.

The following are the major departments which are having the huge increases:

Roads and storm water was allocated a budget of R 160 million for 2013/2014 financial year, while for 2014/2015 financial year it has been allocated R 248 million. There is an increase of R 87, 5 million.

Building department was allocated a budget of R 15 million for 2013/2014 financial year, while R 37 million for 2014/2015 financial year has been budgeted. There is an increase of R 21.9 million.

The Capital projects will be funded as follows:

DESCRIPTION	AMOUNT IN RANDES
MIG (MUNICIPAL INFRASTRUCTURE GRANT)	126 460 000 mil
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)	15 000 000 mil
OWN	192 403 000 mil
TOTAL	333 863 000 mil

RECOMMENDATIONS:

It is recommended that Council recommend the following to Council:

1. THAT the Capital and Operational budget for 2014/2015 financial year as more fully recorded in **Annexure A** attached to this report in this regard be Approved by Council

2. THAT it be noted that the total estimated revenue including grants, to fund the Capital and operational budget will amount to R883 640 424 against the estimated expenditure of R 883 640 424, resulting in nil deficit/surplus.
3. THAT Council Approves the tariffs for municipal services as more fully set out in **Annexure B**
4. THAT Property Rates Policy that is submitted to Council as **Annexure C** be approved as part of 2014/15 financial year budget
5. THAT the following budget related policies for 2014/2015 be approved by the council **(Annexure D)**

5.1 Budget Policy

5.2 Virement policy

5.3 Tariff policy

5.4 Indigent policy

5.5 Credit control and debt collection policy

5.6 Banking and Investment Policy

5.7 Fixed assets policy

5.8 Inventory policy

5.9 Supply chain management policy

5.10 Petty cash policy

6. That it be noted that Capital Budget will be funded as follows:

MIG (MUNICIPAL INFRASTRUCTURE GRANT)	126 460 000
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)	15 000 000
OWN	192 403 000
TOTAL	332 663 000

HONOURABLE SPEAKER

This budget amounting to **R 883 640 422** is detailed and categorized as indicated above.

HONOURABLE SPEAKER

Fellow councilors, Traditional leaders, Managers and the entire Thulamela Community, It gives me great pleasure to table this

2014/2015 Budget, Tariffs and related policies to you for consideration and approval by the council meeting today .

Let me take this opportunity to thank all stakeholders for their cooperation and guidance displayed throughout 2013/2014 financial year. Through our municipality `s sustainable development and this most informed Budget, I believe every member of our society will have the opportunity to unleash their potential and realize their aspirations. This will provide a more solid foundation for the development of our next generations.

Chinua Achebe in one of his writings says “Our country must morally re-arm. We cannot run a country where virtue is vice and vice is virtue. We cannot live in a country where the looters of yester-years assume they have undergone a Pauline conversion because they are in opposition and oppose the Government of the day. Some of our richest men and women are to be found in politics and their creed is, thou shall reap what thou hath not sown”. A man who makes trouble for others is also making trouble for himself.

Let us always remember that the damage done in one financial year can sometimes take twenty years to repair. We ought to believe that a budget tells money where to go, instead of wondering where it went.

Let us plan our work and then work our plan.

I THANK YOU!

RI A LIVHUWA!

HA KHENSA!

DANKIE!