

THABAZIMBI LOCAL MUNICIPALITY **MAYOR'S BUDGET SPEECH 2007/2008**

PRESENTED AT A COUNCIL MEETING HELD ON 30TH MAY 2007

The 2007/2008 budget document is a clear indication of the direction the Thabazimbi Municipality is moving to start to comply with legislation as required by the Municipal Finance Management Act in the budgeting process.

The Thabazimbi Municipality is currently classified as low capacity under Project Consolidate and is determined to move towards a high capacity municipality within the near future with the full support of all Councillors and officials. Within the financial constraints, the 2007/2008 budget is compiled to use all available resources to move towards that goal and to render quality services to all people within its boundaries.

The provision to appoint 40 temporary workers as permanent employees in the 2007/2008 budget year, is to strengthen the workforce for better service delivery. Provision is also made for the appointment of vacant positions in the organogram (see executive summary) to strengthen the corporate system for more effective administration and better law enforcement.

The Public Participation Program went well as far as the budget and IDP process are concerned and the attendance of the public meetings, was satisfactory. We are proud to announce that our people had an opportunity for the first time to fully interact with the budgetary process promoting good governance and ensuring accountability to the electorate.

This is also to adhere to the freedom charter when it says “**the people shall govern**” and also responding to the National KPI of **Good Governance**. The 2007/2008 budget and IDP were received well with only minor amendments to the 2007/2008 draft budget as approved by Council on 29 March 2007.

One of our milestones is clearly set out in the 5 National KPI's of Local government; namely **Revenue Enhancement**

The major challenge that lay ahead for the 2007/2008 budget, is to collect all revenue as far as possible. This is a task and challenge for all Councillors and officials and can only be successful by a team effort and with the support of the community. The challenge of revenue collection, is to generate all income without compromising the under privilege communities to improve services for all. The total income budgeted for, amounts to R103 017 946.00 and if we are successful must collect at least 90%.

Available funds will be spent effectively and it must always be remembered that the budget is a report of how and for what the tax payer's money is used for and that all involved in such expenditure, is accountable and controlled by legislation. The summary of the 2007/2008 Operating Budget, is as follows:

Salaries & allowances	R 40 650 133.00	
40.4%		
General costs	R 54 944 914.00	
54.6%		
Repair & maintenance	R 8 953 903.00	
8.9%		
Capital changes	R 4 568 953.00	
4.5%		
Capital expenditure	R 1 773 600.00	
1.8%		
Depreciation	R 2 045 507.00	
2.0%		
Contribution to funds	R 4 945 752.00	4.9%
	<u>R117 882 762.00</u>	
117.1%		
Minus: Departmental changes	R 17 292 650.00	
17.1%	<u></u>	
TOTAL EXPENDITURE	R100 590 112.00	
100%		

The 2007/2008 Capital Budget amounts to R7 504 357.00 and the funding is as follows:

Contribution from income	R1 773 600.00
Capital Replacement fund	R2 180 000.00
MIG grants	<u>R3 550 757.00</u>
TOTAL FUNDING	R7 504 357.00

The proposed increases on property rates, tariffs and charges, are as follows:

Property rates	+ 4%
Electricity tariffs	- 21% +12.4%
Water tariffs	+ 4%
Sewerage tariffs	+ 4%
Refuse removal tariffs	+ 4%
Other user changes	+ 4% - 20%

In accordance with the Municipal Finance Management Act Number 56 of 2003, Chapter 4, it is required that draft resolutions must be tabled for approval.

It is the responsibility of Councillors as community leaders to amend if necessary and to approve such draft resolutions for the 2007/2008 budget for this is not only a document with detailed information of public funds, but a tool to be use for serving the community.

Attached to the budget are some of the enabling policies to strengthen our compliance and accountability to the legislative requirements. And it is also worth mentioning that since the change of administrative leadership we have seen a lot of progress in policy formulation and legislative compliance.

I believe this progress deserves applause.

We have also succeeded in turning a number of administrative headaches into admin successes, and this will be further enhanced by the kind of organogram that will be geared towards optimal use of the available Human Resources for effective and efficient service delivery.

We are also looking forward to starting the process of accessing and availing resources to build a proper civic centre as the present building is not enough and does not meet requirements for a municipal office surrounded by such powerful stake holders in the area.

In terms of service delivery we still face quiet a number of challenges in that the people of Smashblock and Jabulani do not yet have proper houses and services, However with the engagement of major stakeholders we are making head way in ensuring that we tackle the issues systematically with the least resources we have.

While the Municipality plays a leading role in facilitating and spearheading development it should however be noted that we in most instances we run behind development because we do not own the most important commodity for development which is land. Often we are bombarded we applications for rezoning and township establishment we have never planned for. Our Spatial Development Plan is trying to align and direct future development, but still lacks to accommodate the challenges of underdevelopment and the redressing of the imbalances of the past. **And therefore needs to be reviewed urgently.**

What makes matters worse is the National trend of development that takes place in the property market, Thabazimbi is no exception. The middle income society is caught up between the rock and a hard surface because they do not qualify either for low-cost houses or expensive houses in the suburbs of our town.

We are however going to work with the other spheres of government in acquiring land to accommodate this important sector of our community.

But safe to say that it is surprising to see the housing market get so expensive in Thabazimbi while the area is characterised by the working class and mainly the middle income group. If we really have to produce sustainable development plans this sector must find it easy to settle in the Municipality

The Municipality is also planning to produce a LED plan (also one of our National KPI's) and strategy responsive to the economic challenges of the area. If the strategy is going to be credible it must ensure entry by the previously disadvantage in the three pillars of our Provincial economy which are also prevalent in Thabazimbi. A thoroughly prepared Skills Development plan will be drafted to produce a Human Resource geared towards optimising the economic opportunities comparative and competitive advantages.

With the optimisation of the resources such as the youth advisory centres we will be able to come out with a fully fledged youth program to accommodate this sector of society characterised by frustration and loss of confidence in our country. It is however worth mentioning that Anglo platinum has accommodated a significant number of our young people in their expansion programs and continue to do so. We will engage other companies to ensure that the locals are first considered for most economic opportunities around the Municipality.

We will continue to engage our communities and stakeholders in realizing the goals we have put in our Budget and IDP.

I thank you all

NL MATLOU
MAYOR