**2014/2015 BUDGET SPEECH BY CHIEF ALBERT LUTHULI MUNICIPALITY EXECUTIVE MAYOR CLLR BP SHIBA.**

The Honourable Speaker of Council, Councillor SM Nkosi

Chief Whip of Council, Councillor DP Nkosi

Members of the Mayoral Committee

Chairpersons of Section 79 Committees

Leaders of All Political Parties

Honourable Councillors

Traditional Leaders

The Municipal Manager, Mr VN Mpila

Directors and Officials

Citizens of Chief Albert Luthuli Municipality

Ladies and Gentlemen

We are proud of our past and confident of our future!

Honourable Speaker, at the height of our people’s final march to freedom and the eve of our democratic breakthrough, soldiers of uMkhonto weSizwe and other exiles sang a song that rallied all behind a call to go back home, they sang :

***“Izolo besilele ehlathini, awubophe umthwalo siyahamba siyolala emakhaya”.*** This can be loosely translated as “yesterday we slept in the bushes, pack your luggage we are going to sleep at home”.

Theirs was not only an announcement of an eminent departure in the concentration camps and many other places where they had seek refuge, it was also a declaration of their path to power and their state of readiness to govern.

The song resonated again with me on Saturday as I sat in Pretoria the capital city of apartheid and specifically the Union Building the headquarters of the architects of apartheid.

I was on the verge of shedding tears as I watched president Zuma taking an oath and I thought of our cruel past.

I had no choice but to conclude that South Africa is a blessed nation, which has come a long way to be where it is today. I could not shake off the feeling that tomorrow will be better than today. I could not take out of my mind the words of the late president of the ANC cde OR Tambo at the funeral of cde Joe Gqabi when he said:

***“The future is bright. The end is glorious; it is peaceful. But the intervening period is dark, bitter and finds its glory in the act of struggle.”***

Honourable Speaker, I present the 2014/15 spending and revenue plan filled with hope and inspiration. I am convinced that our future as a municipality is bright. I am convinced that at the end we will be glorious after defeating poverty, unemployment and inequality. I am convinced that the end will be peaceful.

Undoubtedly, the year 1994 will be written in the annals of history as the highest moment in the struggle against the manifestations of colonialism and imperialism on the African continent. In that year, our people witnessed the raising of the new national flag, which affirmed the pride and dignity of a democracy and the celebration of humanity.

We have progressed together, over the last 20 years of democracy, South Africans of all ages, colours, circumstances, lifestyles, aspirations, occupations with our individual strengths and weaknesses, likes and dislikes.

We have walked together, one step at a time, on our journey towards growth, towards learning, towards reconstruction, towards solidarity, towards reconciliation, towards prosperity, towards development, and towards freedom.

This freedom we are referring to, will be translated into an operational budget, for freedom without financial resources is a false one. This is supported by Joseph Schumpeter, who asserts that, I quote:

***“A Budget is a powerful index of a society’s value, not merely in its language and numbers, but in the lived experience of its impact on people, families, workers and business organization”***

**Review of Performance**

As an institution we must at all times be able to account for how we used public resources and whether we were able to deliver on agreed development outcomes. Honourable Speaker, allow me to assess how we have changed the living experiences of our people in the ending financial year:

* We committed to improve the access of clean portable water , we have completed the electrifying and rehabilitation of boreholes in areas of ArghnemburgShiba Village, Esandleni, Dunmenton @ Fernie, Ndonga, Embhejeka, Holeka, The Brook, Ekukhanyeni, Phaphama, Inkomazi.
* We committed increase the number of households receiving electricity. It is with glee that I report we were able to electrify more than **450** households in this financial year, which resulted in people of around Glenmore, Empuluzi, Engelsedraai, and Nordin. We further request Eskom through our technical service department and PMU to energize completed projects at Ebutsini, Bampeon and Sthobela.
* We have committed to assisting the fight against crime by increasing the number of high mast lights. We have indeed remained true to our commitment and installed 18 high mast lights which some have already been energized.
* We have committed to providing clean water to every parts of the municipal area. Even though not at satisfactory levels we are slowly moving in the correct directions. We have completed refurbishment of Mayflower Package Plant, upgrading of raw water abstraction at Badplaas, Eerstehoek Raw Pipeline, Package Plant at Eerstehoek.
* We committed to restore the dignity of our people by giving them decent structures to relieve themselve. We have successfully built 750 water borne toilet structures at Silobela Ext 2,3. Honourable Chief Whip the model of VIP toilets has got its challenges hence we have halted the construction of VIP toilets in its current form. We are banking on innovative technology and ideas which would present the acceptable model of VIP.
* The improvement of our access roads remains our priority. We have successfully completed tarred road at Badplaas,
* We have are continuing with our capacity building programme to finance officials and managers to comply with the minimum competency regulations as promulgated by National Treasury.

These are amongst the many achievements we were able to register in the current financial year ending on the 30 June 2014.Honourable Chief Whip the above is sufficient testimony that the ANC government is delivering as President Jacob Zuma would say we have a “GOOD STORY” to tell.

Honourable Speaker, the 2014/15 budget as highlighted earlier demonstrates our commitment to increase the pace at which we deliver basic services to our people, increasing financial viability of our municipality and advancing social protection for the poor which are the most vulnerable in our society.

The total budgeted amount for the 2014/15 financial year is a small **R482.552 million**, indeed not enough to meet our socio-economic needs as a municipality, but as I said in my previous budget speech that we ought to make as much as possible with as little as possible.

I think it is important for the benefit of both council and our community that I explain where this money comes from or what our finance officials refer to as source of income. In the 2014/15 financial year our equitable share allocation from treasury amounts to **R188 970** million and we expect our revenue collection to be **80%** of our operating costs which are **R379 815** million.

In this financial year we were able to obtain conditional grants in the form of Municipal Infrastructure Grant (MIG) to the amount of **R 91 807** **million**. Honorable Speaker I am delighted to report to council about the consistent 100% spending of our MIG funds by our Project Management Unit, our track record in this regard has yielded positive results. The municipality was allocated additional funds from MIG to further address our infrastructural challenges.

**Priorities for 2014/15**

Honourable speaker, protecting the poor and unemployed remains our priority and as result we have increased the indigent threshold to cover those with a combined income of R2300 from covering those with an income of R1800 in the 2014/15 financial year. Above these we have the following social packages to cushion the poor:

* Free Basic Water – 6kl per month for every households
* Free Basic Electricity - 50kWh per month for registered indigents
* 50% Discount Sanitation Services for registered indigents
* 50% Discount on Refuse Removal Services for registered indigents

The ANC government is indeed a caring government and will always side and protect the poor

The provision of basic services like water, sanitation and electricity to our people remains a non-negotiable and we shall fight for it till the end of our term. We will do this because we know very well the pain of mother’s who have to walk kilometres with a bucket on their back get water or with wood on their heads to make fire to be able to cook. We dare not fail in this task because we would have failed to restore the dignity of our people which was taken away from them for than 300 years.

In the 2014/15 financial year we commit to spend **R44, 5 million** in upgrading our capacity to deliver clean and drinkable water. This will include upgrading of pumping capacity and retrofitting at Eerstehoek Water Scheme, replacement of AC pipe lines on the Eerstehoek Water Scheme, Upgrading and retrofitting of Carolina Water Scheme and upgrading of other municipal package plants.

We have additionally budgeted an amount of **R15.4 million** to increase public lighting (16 highmast light) in different wards that didn’t benefit in the last financial year including upgrading of substation at Carolina. We remain committed to the creation of an environment where all citizens feel safe and secure.

We are continuing with our programme of providing for our community assets for 2014/15 financial year. Recreational centres for use of youth, taxi ranks, palisade on cemeteries and landfill sites are amongst the projects budgeted for that will amount over **18.3** million.

We will in this financial year improve our roads infrastructure to ensure a conducive environment for those commuting to work and school. We plan on paving roads at the following areas Nhlazatshe 1, Dundonald to Slovo, Mahoxo, Mooiplaass, Elukwatini, Tjakastad, Carolina Town and Badplaas.

Honourable Speaker, these are the planned major capital project for the financial year which we must strive by all means to ensure that every cent of it is felt by the intended beneficiaries which is the ordinary men on the street.

In this financial year all hands must be on the deck in trying to ensure that we realize the outcomes of operation clean audit. We must ensure that we spend every cent wisely and be able to account for it. Financial viability can only be realized if our community which are ratepayers also play their part in this drama of development and pay for services in time.

Employee related cost amount to **R101 million**, which makes it the biggest part of our operational budget. So it is inevitable that officials of council must also play their part in this drama of development and ensure that they give council and ratepayers value for money. They must at all material time strive to adhere to the principles of Batho Pele which can be translated as “Putting the people first”

Honourable Speaker, allow me to conclude by thanking the budget steering committee which worked around the clock and at times irregular hours to ensure that today becomes a resounding success. I profoundly thank our CFO Mr M. Nhlabathi and the officials in his department.

I would also like to thank all councillors and officials as led by the municipal manger Mr VN Mpila for the progress we made in the financial year ending in 30 days time. I have no doubt that in the coming financial year we will worker harder than we did to take our municipality to greater heights.

I remain convinced that the interventions outlined in this budget will ensure that tomorrow is better than today, because our municipality is pregnant with many possibilities and prospects of a better. We dare not fail our people!

I thank you!