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OFFICE OF THE MAYOR

TABLING THE FINAL MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK REPORT FOR 2022/23 AND TWO OUTER YEARS 23/24 AND 24/25 FOR APPROVAL BY COUNCIL BEFORE START OF THE 2022/2022 FINANCIAL YEAR ON THE OCCASION OF THE COUNCIL MEETING ON 30 MAY 2022.

MADAM SPEAKER

EXCO MEMBERS

CHIEF WHIP OF THE RULING PARTY

FELLOW COUNCILLORS

KGOSI NKHAHLE

MEMBERS OF PARLIAMENT

LEADERS OF POLITICAL PARTIES

WARD COMMITTEE MEMBERS

MUNICIPALITY ADMINISTRATION LED BY THE MUNICIPAL MANAGER MME NOMVULA MALATJIE.

LADIES AND GENTLEMEN

Madam Speaker, Today we meet after the Local Government Elections and this marks our half year or six months in office. We are meeting at the time when coronavirus also known as COVID-19 has distraught the world and our **Phumelela Local Municipality 2022/2023 budget vote.**

This disease has drastically changed the way we think, the way we do things and our livelihoods in general. The virus is part of flue family and has the same symptoms one get from being infected with flu, however it is severe on the respiratory system.

Madam Speaker, we also want to congratulate the provincial government of Free State led by Premier Mme. Ntombela in the manner in which they have handled the situation. The ANC led government in the Free State has demonstrated care and capacity. If the government did not act immediately, there were possibilities that, we would be amongst the worst in terms of infections.

The coronavirus has put a new strain on government especially local government. We know Madam Speaker that local government is at the cold face of service delivery.

Many of our people who require service delivery, the first sphere of government they interact with is local government including on issues of provincial and national competency.

We present this budget madam speaker during an unprecedented challenge ever witnessed in our time.

Madam Speaker, the President of the ANC, Cyril Ramaphosa in the ANC January 8 statement emphasized that focus should be diverted towards the capabilities, commitment and integrity of councilors and local government officials". It is within this understanding that we have to now like never before employ the most commitment and capacity on our part to improve the lives of our people.

Madam Speaker, on the other hand the opportunity, which, the situation introduces, is a chance to think differently in pushing the agenda to deracialise the economy. We now have an opportunity to revitalize Town and Township economy through introducing radical by-laws biased to both town and township economy. We must now intensify our efforts for localization and innovation.

Madam Speaker we also present this budget at the start of youth month. The 1976 youth detachment stood and confronted apartheid system. Most of these young people were ordinary youth in our townships who had ambitions to attain something in life. They had to confront the system while possibilities of being killed, arrested, tortured were high.

They did not use the challenges or consequences that might follow them because of their actions as an excuse to succumb to apartheid government.

The plight of these young people was equal opportunities in education, defiance of Afrikaans as a medium of instruction and general liberation of blacks. These students although confronted with guns, they only had their voices to chant revolutionary songs and stones as their weapons to win the freedom of Africans. This was a sign of bravery and selflessness at best. We therefore not dare fail their aspirations.

Madam Speaker, part of the broader agenda agitated by youth in their 1944 Manifesto was political freedom in their lifetime. Some of the then leaders of the Youth League include Anton Lembede, Nelson Mandela, Walter Sisulu, Oliver Tambo and others. These leaders achieved their mission because some could realize freedom in their lifetime through the 1994 democratic breakthrough. The political freedom in their lifetime was not a means to an end. The youth that came after them realized that political freedom only is not enough to liberate our people but must be accompanied by economic freedom in our lifetime.

It is for this reason Madam Speaker that compelled the 2007 ANC National Conference to take a decision of introducing the second phase of transition. The second phase of transition requires us to build a National Democratic Society, which will speed up change in economic and social transformation.

The National Democratic Society is the type of society that aspires for united, non-racial, non-sexist, democratic and prosperous South Africa. In all we do, we must unite our people beyond the color bar, gender and age.

It is only a united society that can realize prosperity. We must be united in an effort to ensure that no one sleep without food.

While we are on the path to build National Democratic Society, we are taken back by cases of child and women abuse. We say no to child and women abuse and appeal to our law enforcement agencies to be tough on abusers.

Madam Speaker, these are some of the things that makes us to reiterate that moving forward it cannot be business as usual. Our programmers must put youth at the Centre. Young people of today must participate in innovation and skills revolution by creating robotics, using internet of things and digital technology.

We have learned that youth constitute majority of our society we shall therefore work with young people organized and unorganized to create economic opportunities.

Madam Speaker, we promote participatory democracy we therefore invite community of Phumelela to advice and submit ideas that will resuscitate our economy and livelihoods of our people. As the Municipality, it is our desire that citizens take part in the affairs of the Municipality. Participating and taking part in affairs of Municipality includes taking care of our public facilities. We cannot be by-standers when our public facilities are vandalized and used in the manner that they are not intended for.

We also appeal to businesses and members of the community to pay for services they receive from the Municipality. It is through such payments that we are able to extend services even to some that have not yet sufficiently received them.

Honorable Councilors, as we have all seen with the tabling of the national budget in Parliament, the depreciation of our currency and of the economy has also had a negative impact on government coffers due to the Pandemic. The Corona virus has also affected local municipalities and such a downturn has led to my recommendation to be robust on the Indigent Registration and this Council commits to have massive road shows to encourage residents to register during our road shows.

Madam Speaker, the path to implement some of these programmes in some instances was as sharp as prickly pear thorns while in some instances was as smooth as succulent plant. The political and administrative leadership had to defy the hardships and propel the Municipality to the direction that will deliver our people to better life. In the words of Martin Luther King Jr "A genuine leader is not a searcher for consensus, but a moulder of consensus." That is exactly what we are trying to achieve.

We will now outline progress we have made since the previous financial year which marked the end of the term of office of old Council and a new Council had to come in and

to take the priorities for 2021/2022 financial year forward. As we look towards the next financial year ahead, we shall and we are determined to work each day on end, tirelessly, hand in hand with our communities to fight poverty and underdevelopment.

Honourable Speaker, when passing a budget, municipalities are required to have realistic revenue expectations to ensure that outcomes can be achieved. Unrealistic revenue projections have often undermined the ability of municipalities to deliver effective services. By approving three-year budgets linked to longer-term IDPs, municipalities can adopt more forward-looking and better-informed approaches and make better judgements about future priorities for capital development and service delivery in the communities.

Honourable Speaker and fellow councillors, it is important to note that bulk of our revenue is dependent on grants from the provincial and national government. It is therefore imperative to note that the situation compels all of us to tighten our belts in terms of collection of revenue and spending trends.

Honourable Speaker and the house at large, as Phumelela Council, we should at least acknowledge with pride that despite the limited resources at our disposal in these past years, we were able to make notable changes in our communities around the 3 towns within our area of jurisdiction. We should also give credit to Councillors, Municipal Manager, Directors, Managers and all the staff for the work well done.

Honourable members, this budget is shaped to respond to the socio-economic challenges of the day, by reprioritizing and allocating municipal financial resources to protect critical service delivery programmes. Additionally, in our commitment to fiscal discipline, we will redirect and curb expenditure from non-core to core programmes; intensify our monitoring of the implementation and compliance to the National Treasury Instruction, which deals with Cost Containment Measures.

FORWARD TO THE YEAR AHEAD

Madam Speaker, we are proud to announce that major stakeholders were engaged in our broad and robust public consultation inviting inputs and comments for our fifth generation IDP and budget in line with Chapter 5 of the Municipal Systems Act.

Honourable members of this Council today we are in position to table a budget vote for financial year 2022/23, 2023/24 and 2024/25 as a document compiled through collective efforts with our Local Communities in all our three towns, Business, youth, rates payers association, government employees, NGO.s, Religious fraternity, Ward Committees, Shop stewards and Phumelela Staff. As we look towards the next financial year ahead we shall and we are determined to work each day on end, tirelessly, hand in hand with our communities to fight poverty and under development.

Allow me therefore honourable speaker to table before this respected council the final budget for 2022/23 , 2023/24 and 2024/25

Honourable councillors, the final revenue budget is anticipated to be R 198 898 855 in the 2022/23 financial year and Revenue budget for the indicative years 2023/24 and 2024/25 is anticipated to be R 208 351 168 and R219 628 337 respectively.

The total revenue from service charges is budgeted at an amount of R 84 200 060 and represents 49% of the total revenue budget.

The budget for interest on outstanding debtors is anticipated at R 21 331 208 ,and represents 11% of the total revenue budget this is due to the forever increasing debtors book.

It should be noted that transfers of unconditional grant has increased by 9% and conditional grants to our capital budget has decreased by 39% due to the fact that the municipality will not receive the RBIG and INEP funding for the 2022/23 financial year.

For employee related costs we've budgeted R 91 644 128 and represents 46% of the total operating expenditure budget. An increase of 4.9% has been effected as per salary and wage collective agreement and there was an attempt of addressing salary disparity at the same time, which remained unresolved for number of years. We want to congratulate our functional LLF members for concluding disparities which prevailed. We hope workers after this achievement will continue with their dedication and commitment in ensuring provision of decent services to our residents.

Madam Speaker the Remuneration of Councillors represents 4% of the total operating expenditure budget.

The budget allocated for depreciation amounts is R11 960 249 and represents 6% of the total operating expenditure budget.

The contracted services budget amounts to R6,803 341 which represents 4% of the total operating budget, included in this budget is repairs and maintenance budget and other service level related expenditure.

The budget for other expenditure amounts to R31 781 875 and represents 16% of the total operating expenditure budget.

A budget of R80 000 has been allocated for communications to boost public participation.

On the Budgeted Capital Expenditure by vote, and funding, the capital expenditure is anticipated to be R 38 847 000,80 in the 2022/23 financial year.

As we indicated above Madam Speaker, will receive both conditional and unconditional grants of R 136 129, 80 (R 97 282 000 for Unconditional and R38 847,80 for Conditional) there will be an increase from 2022/23) from the allocations as per on Division of Revenue Bill (DoRA).

The equitable share allocation is appropriated to fund municipal delivery of services through day to day operations and strategic social development programs.

Conditional capital grants (MIG and WSIG) are appropriated to fund capital expenditure for water and sanitation, roads construction and others, the Conditional operational grants (FMG) are appropriated to fund expenditures related to financial reforms as per grants stipulated conditions.

The Department of Provincial Treasury is continuously assisting the municipality towards the payment of split meters for Warden and Ezenzeleni in an attempt of curbing electricity distribution losses. The municipality has received 1,7 million within this financial year to that effect. Cognisance should also be taken that the municipality is still challenged with the shortfall to service the current account. As a corrective measure to address the shortfall both Eskom and the Municipality have installed meters in the municipal premises including Municipal halls, soccer fields, water and sewer infrastructure.

Through the intervention of the Provincial Human Settlement the Municipality has been allocated 200 RDP houses in Memel Zamani, **ABT** houses in Vrede Thembalihle. Notable progress has been observed on these projects.

Status of the Audit Outcome

Honourable Speaker, it is much delight and good music to our ears that our municipality has still maintained its unqualified audit for the financial year 2020/21. Madam Speaker we have managed to reduce paragraphs on the issues raised by Auditor General. Phumelela have also been recorded by Provincial Treasury to be amongst municipalities that has investigated its Unauthorized, Irregular, Fruitless and Wasteful expenditure in Free State.

This committee has been established in house, comprising of the following multiparty non-executive members of the municipality:

Cllr Sibeko – Chairperson
Cllr Mahlaba – Member
Cllr Molefe – Member
Cllr Magubane – Member
Cllr Mokoena – Member
Cllr Radebe – Member
Cllr Klemp – Member

Mr Manganyi – is providing Technical Support.

We are also very much grateful to the Auditor General and his team for performing the audit in our municipality. Not only for this latest audit but even for the previous audits. Firm and brutal as they have been in reporting on our financial affairs, but they have also been gentle at heart in advising us on how we can move from being better to being the best. It is our intention to receive clean audit.

We have ensured that we tighten the Oversight functions over our finances and performance by ensuring that the relevant oversight structures such as the Internal Audit Unit, Risk Management Unit, Audit and Performance Committee, Risk Management Committee and MPAC committees are established. These units worked hard to ensure that there are relevant charters, plans, methodologies and systems in place that endeavours to assist us with improvement in internal controls.

Availability of land

The Municipality has succeeded to formalise sites in the three towns around Phumelela area of jurisdiction and we are also proud Madam Speaker to say, there has been an advanced plan in place to avail sites to rightful owners in all the three towns. The remaining **261 in Memel** and 1009 in Warden will be concluded soon

The Municipality has also taken a different approach in terms of land ownership as opposed to the previous arrangement. We have identified sites in each area for individuals who are employed by government and those that fall outside the indigent threshold (meaning those that can build their own houses).

EZENZELENI (WARDEN):

- ▶ 350 has been allocated to mixed settlement in Warden / Ezenzeleni.
- ▶ 1009 vacant stands still to be made available in 7,8 and 9 in Ezenzeleni with Infrastructure (993 Residential, 3 Crèches, 3 Business,7 Churches; 1 Municipal Building & 2 Schools). The department of Human Settlement is currently busy with installation of water and sewer infrastructure.

ZAMANI (MEMEL):

- ▶ 150 sites have been allocated in Memel such has been identified for middle income earners and also a mixed settlement.
- ▶ From a total of **1201** sites (Ext 7 and 8), 805 sites have been allocated to the old extension 6. Foster , Khalankomo and Lindelani informal settlements.
- ▶ 246 still to be allocated to low income beneficiaries

VREDE (THEMBALIHLE):

- ▶ 350 sites has been allocated to residents of middle income earners (Basic infrastructure available).
- ▶ 519 sites in Ext 5 and 6 and 1400 Ext 8 without basic services

Lesi senzo sibonisa ukuthi abantu bazothola umhlaba okungewabo.

INFRASTRUCTURE PROJECT

Fellow Councillors, as we take stock of our work in the financial year 2022/23, let me start by indicating that improvements to infrastructure remains the driving force behind our integrated development plans and local economic development strategies. Some infrastructure improvements aim to improve the quality of lives to local people and to further improve the economic development and job creating opportunities.

Honourable Speaker, the roads paving projects were not only vital in the improvement of standard of living of the local communities through the creation of jobs, but have also ensured that better road facilities are provided and access to good roads for them. Improved access roads give our residents an easy access to public amenities, such as clinics, hospitals, schools, shops and recreational facilities. They also allow an easy access to their homes in cases of emergencies and disasters.

Honourable Speaker, we are happy to claim that through the support of the department of Honourable Premier Me Ntombela under the initiative township revitalisation we have **paved roads** in the following areas:

- Thembalihle 500 m paving of road for phase 1 was completed phase 2 will unfold soon during this financial year.
- 500m paving of road at Zamani Ezenzeleni Phase 1 has also been completed. We are awaiting phase 2.

The continuous construction of Provincial roads is an attempt to improve accessibility to mobility of communities. The department of Police Roads and Transport has constructed paving within our area of jurisdiction under EPWP initiative which has employed masses within our communities.

The following Towns have benefitted.

- 1 km in Warden
- 1km in Memel

Madam Speaker, the state of our internal streets and access roads in some areas poses serious challenges within our municipality. Madam Speaker an amount of

R 4 Million has been set aside through own revenue to implement the regravelling of roads and resealing of tar programme. A clear plan was developed by technical services as to where to implement the programme. This municipality has also commenced with the project called Town revitalisation. We are proud to say we have tested this process by paving of walkways within the town of Vrede which were in bad shape. The same process will be implemented / cascaded in the two towns namely Memel and Warden.

The Road and maintenance team is continuing with the maintenance by resealing and resurfacing of the roads to support the initiatives that are helping us towards the realisation of curbing of potholes.

Lesi isiqiniseko sokuthi siyayilwa lempi yokuphucukisa amadolobha ethu. Ngalokhu sithi abanikazi bama business mabapende umakhiwo wabo ube sezingeni lokuthi sikhone ukuheha osomnotho abakhulu abazokhulisa umnotho wethu baphinde basize abakhi ukubeka isinkwa etafuleni ukuze izingane zingalambi.

The aim is to improve the state of our gravel roads and ensure that no town is inaccessible even during rainy season. The municipality is in a process of constructing 1KM paved road and storm water in ZAMANI Memel. The earthworks and layer works is in progress.

The Road project will be implemented throughout the Municipality in both Warden and Vrede in the next financial year. Siyaqhuba sikhalela abangasekho.

Madam Speaker we also undertook the following **water and sanitation projects**:

- The Upgrading of outfall sewer line and revamping of pump station and waste water treatment works in Warden /Ezenzeleni funded through WSIG which created 50 Job opportunities.
- Refurbishment of outfall sewer in Thembalihle / Vrede funded through MIG which created ___ job opportunities
- Upgrading of sewer reticulation and toilet structure for 118 sites in Zamani / Memel funded through MIG project.
- Refurbishment of raw water pump station, treatment plant, filter plant, sand filters, chlorine building, clear water tank, sealing of reservoirs, dosing plant, fencing of the area, paving, and gravity testing. The system will run on cloud. .

Lokhu konke okungaphezulu kubonisa ukuthi sifuna abantu base Phumelela bahlale emhlabeni onezindlu zangasese ezigijima amanzi. Siyacela kwisizwe sakithi esintsundu ukuthi ngaphakathi kwendlu yangasese kufanela kusetshenziswe leliphapha elibizwa Itoilet paper. Lokhu kuzovikela ukuba nama blockages kuma sewer lines.

The Municipality has procured 6 bakkies with two allocated to each town. Our attempt is to ensure service delivery on the water and sewer section and to be prompt on our response as and when issues are raised be it sewer reticulation, sewer blockages, burst pipes and water outages. Lokhu isiboniso sokuthi sisemsebenzini.

Electrification projects

Madam Speaker, Zamani Memel has benefitted from the electrification of more houses and the upgrading of substation through the INEP project. Madam Speaker the project I am making reference is very keen and critical because Eskom did not have a budget allocated but the municipality went out and explored external funding. We are proud to place it on record that 300 houses have been electrified and energized. The second phase of the project has commenced and 500 houses are ongoing. The 3rd phase which

will cover 246 houses will be implemented after the allocation of sites to qualifying residents.

The long overdue electrification has also benefitted the residents of Ext 4 in terms of the electrification of 506 houses by Eskom. This should also not go unnoticed because there were serious and huge efforts in trying to persuade Eskom to electrify the area.

SOLID WASTE MANAGEMENT

Madam speaker there is still a gap on solid waste management in general, the whole chain of solid waste management is highly compromised. Madam speaker let me also mention that the current fleet of the Municipality is very old and their condition is adversely affecting the Municipal Finances due to repairs and maintenance.

The Municipality with its limited budget has secured 3 brand new refuse compactor trucks, each town has been allocated 1 truck. Yinde lendlela esihambayo kodwa siyofinyelela la siyakhona. Our attempt aims at collecting refuse on weekly basis in an effort of eradicating illegal dumping. Siyacela zakhamizi sicela ukuthi niyeke ukusebenzisa ama open space as dumping sites.

Madam Speaker and fellow colleagues let me also bring to the attention of the residents of Phumelela that we are challenged on our landfill or dumping site. The matter has however been escalated to province to intervene on the role clarification.

COMMUNITY SERVICES

This Department is one of the critical cornerstones of the municipality. The Department is tasked with a responsibility to look after our community halls, sports facilities, cleaning of public ablution facilities, grass cutting, cleaning of parks and cemetery as well as commonage management and animals moving astray.

Honourable Speaker, our municipality is also charged with several functions under this unit that are entirely community based, and are directed towards creating awareness to improve livelihoods of our communities through education campaigns.

These are HIV and AIDS, Gender and disability, as well as Sports, Arts, Culture, and Heritage.

CONSTRUCTION OF SPORT AND RECREATIONAL FACILITIES.

The Warden Phase 4 construction of sports facility was implemented in line with the 4,5% MIG allocation. We are proud to say the earthworks and drainage pipes that will be connected to the irrigation system have been concluded. The municipality will be implementing phase 5 of this project in the new financial year. We are appealing to our communities to take pride in all the endeavours done by the municipality by protecting these infrastructures from vandalism and abuse.

Honourable Speaker, these infrastructure projects have created ----- (ninety one) jobs, out of whichjob opportunities were for women, andfor youth and whilewere for people with disabilities and 25 for adult men.

SERVICE DELIVERY COMPLAINTS MANAGEMENT ONE STOP CENTRE

Madam Speaker our ageing infrastructure is posing serious challenges where community is directly reporting to different officials on critical queries affecting service delivery. In this regard, the Municipality has established a Whatsapp facility with an intention to establish service delivery customer complaints platform. Note should be taken that a warm body has been designated to manage queries and provide feedback on service delivery related matters. The whatsapp and sms number is as follows 060 711 9376.

POVERTY ALLEVIATION AND LOCAL ECONOMIC DEVELOPMENT.

Honourable Speaker, efforts to push back the frontiers of poverty requires a collective effort from the government, business and civil society.

This will also require us as the municipality to continue with our poverty alleviation programme to assist the destitute families in our municipality.

Local Economic Development

The municipality has realised that its strategy has come off age, and as such needs to be reviewed. Phumelela, CoGTA and District have managed to present the draft Phumelela LED Strategy. A consultation process will be undertaken where inputs will be invited. The development of the LED strategy endeavours to fight the plight of the poor and unemployment directly however, other indirect benefits are aimed at human development at a local level. The envisaged reviewed LED Strategy will include at least the creation of jobs by attracting new business, achieve local economic stability and result in a diverse economy. Phumelela embraces the key principles underlying local economic development as pronounced by the Department of Provincial and Local Government under the following:

- a. Poverty and unemployment are the main challenges facing the citizens of our municipality.
- b. Local Economic Development plans to priorities job creation and poverty alleviation.
- c. Local Economic Development must target previous disadvantaged people, marginalized communities and geographical regions, black economic empowerment enterprises and SMME's to allow them to participate fully in the economic life of their municipality area.
- d. It promotes local ownership, community involvement, local leadership and joint decision making.

Agriculture

Agriculture is the main driver at Phumelela Municipal area and its potential needs to be harvested to the fullest in order to bring about economic change.

TOURISM

Phumelela is rich in Tourism. The following potential Tourist attractions are within our area Thanda Tau resort and truck stop, Vrede Hotel, Emanzini Country resort, Moreson ranch (ditaung) Warden sandstone Church, Vrede sandstone Church, Memel dutch reform Church, Memel Museum, Seekoievlei resort, Wetlands, Sediba hiking trail, Langberg hiking trail, ardaville game farming

Job creation

	VREDE	WARDEN	MEMEL
EPWP	20	20	20
COOP	50	36	20
CWP	349	292	358

Phumelela has 106 Cooperatives that have been established however, only 56 Cooperatives are active in Phumelela Local Municipal area

The municipality had a budget of **R200 000** directed towards the SMME development, training, workshops, assisting in transporting of SMME's and to revive of LED Forums in all Unit. Apart from the budget allocation the municipality has also entered into a service level agreement with SEDA to support the LED unit.

Apart from SEDA the Municipality has entered into a service level agreement with Other Government Departments that work with Municipality namely, Deste, Department of Labour, SEFA, SAPS, DTI, FDC and NDA

The following are interventions from different sector departments:

IMEDP FUNDING (SEDA)

- 34 beneficiaries funded through IMEDP Programme.

Automotive Capacity Programme (3 days training)

- Training of Automotive clients (15) attended from all units

NHBRC/SEDA

The training will take place in the month of June 2022, targeting 30 SMME's in Phumelela Municipal area.

BURSARIES FOR EMPLOYED AND UNEMPLOYED

Honourable Speaker, it gives me great pleasure to report to this august house that we have offered registration fees to 28 unemployed students. Our decision to pay for

registration fees is due to the commitment by government to take full responsibility in educating learners from disadvantaged groups.

Phumelela through its limited budget is complying with the skills development and paying the skills levy. We have to date managed to develop strategies and improving the skills of the workforce.

The municipality has enrolled 9 employees through the institutions of higher learning.

9 Councillors on MFMP

24 Employees on MFMP

11 Fire Fighters have been trained through Fire Prevention, fire risk assessment and fire investigation.

2 Health and Safety

The following are the training intervention for **unemployed youth**

- 20 x Water and waste water process operation NQF level 2.
- 15 x Community House building NQF level 2

HUMAN RESOURCES

Honourable Speaker, for us as the municipality in order to deliver on our mandate, we have to make sure that we fill critical posts with qualified and competent staff.

We have thus far during the term of Council filled only 10 critical vacancies in the position of Roads Technician, senior process controller and political offices.

PERFORMANCE MANAGEMENT

We have also introduced the Performance Management System to senior managers so as to ensure that we measure and monitor the performance of each and every directorate in the municipality. This is important in ensuring that we do deliver on our promises as per our plans, budget and service delivery budget implementation plan. We further intend cascading performance to middle managers. We are proud to announce that we have improved to unqualified audit opinion on our predetermined objectives and this is a major improvement.

Special programmes

Fellow Councillors, among others, our budget allocations also cater for issues such as youth development, gender and disabilities programmes, skills development, awareness campaigns, HIV & AIDS programmes, sports development, employee wellness programmes, Public Participation, cleaning campaign and Communications. These programmes are key and special focus should be given to my office.

We will also continue to work in collaboration with our District Municipality and provincial government in many other programmes and activities undertaken within our Municipality.

Honourable Speaker, we want to make our firm undertaking to the people of Phumelela, that we will do all we can to protect key programmes and priorities of government, so that we do not lose sight of our vision of growing Phumelela together.

As I conclude, let me offer my gratitude to the honourable Speaker, Chief Whip of the ruling party, my colleagues in the Executive Committee, Councillors, Municipal Manager Mme Nomvula Malatjie and your team for their guidance and contribution into this budget process.

To the people of Phumelela, we really appreciate your role and contribution in moving Phumelela forward. In this list we include our sector departments and various social partners.

To my beloved family my wife and my son and my daughter, you have been my rock and pillar of strength. I would have not made it without your unweaning support.

Madam Speaker it is therefore our recommendation that the Council resolves the following,

RECOMMENDATIONS

- That Council note the content of the report on this item
- That the Council of Phumelela Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES AND ADOPTS:**
 - the Tabled Operating Budget and Capital Budget of the Municipality for the 2022/2023 MTREF and the two projected outer years 2023/2024 and 2024/2025 as set out in the following tables:
 - Table A1 – Budget Summary
 - Table A2 – Budgeted Financial Performance (revenue and expenditure by standard classification)
 - Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - Table A4 – Budgeted Financial Performance (revenue and expenditure)
 - Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding
 - Table A6 – Budgeted Financial Position
 - Table A7 – Budgeted Cash flows
 - Table A8 – Cash backed reserves/accumulated surplus reconciliation
 - Table A9 – Asset Management
 - Table A10 – Basic Service delivery measurement
- That the Council of Phumelela Local Municipality, acting in terms of section 17 of the Municipal Finance Management Act, (Act 56 of 2003) **APPROVES AND ADOPTS** with effect from 1 July 2022 the following budget related policies for the 2022/2023 financial year:

- Property Rates Policy
 - Infrastructure Procurement and Delivery Management Policy
 - Tariff and Services Policy
 - Indigent Policy (Amended)
 - Credit Control and Debt Collection Policy
 - Supply Chain Management Policy
 - Bank and Investment Policy
 - Budget and Virements Policy
 - Debt impairment Policy
 - SPLUMA Tariffs
 - Accounting policies
 - Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
 - Cost Containment Policy
 - Travel and Subsistence Policy
- That the Council of Phumelela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES AND ADOPTS** with effect from 1 July 2022 the tariffs as contained in Annexure A.

The tariffs are increased as follows:

- Property Rates 4.8 % (2022/23), 4.4% (2023/24), 4.5% (2024/25)
 - Water 4.8 % (2022/23), 4.4% (2023/24), 4.5% (2024/25)
 - Sanitation 4.8 % (2022/23), 4.4% (2023/24), 4.5% (2024/25)
 - Refuse 4.8 % (2022/23), 4.4% (2023/24), 4.5% (2024/25)
 - Electricity 4.8 % (2022/23), 4.4% (2023/24), 4.5% (2024/25)
- That the Council of Phumelela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES AND ADOPTS** with effect from 1 July 2022 the tariffs for other services, as set out in Annexures A.
- That **in principle** approval **BE GRANTED** for the taking up on external debt in the form of Hire Purchase (HP) agreements to the value of R15 000 000 to fund the purchase of service delivery fleet as contemplated in the capital budget for the 2022/2023 financial year, subject to compliance with sections 46 and 48 of the MFMA.

The planned service delivery fleet for procurement is as follows:

- Tipper Truck
- Grader
- TLB
- Refuse Compactor Truck

- Roller
- Water tanker for roads
- Concrete/Tar Cutter
- Pedestrian Roller
- Concrete Mixer x 2
- Trailer x 2
- Sanitation Maintenance Trailer
- Official Vehicles x 2
- Bakkies

➤ That council take note that the measurable performance objectives must still be determined for the budget year 2022/2023

Signed by.....
CLLR M.D. KOBENI (MAYOR)

.....
DATE