

Preliminary Budget Speech by Mayor of the Greater Tzaneen Municipality, Her Worship Dikeledi Mmetle at during the Special Sitting of the Council of the Greater Tzaneen Municipality at Bakgakga Tribal Offices on the 7th of March 2014.

Speaker of Council, Cllr Percy Machete

Chief Whip of the Ruling Party, Councillor Napoleon Mboweni

Members of the Executive Committee of the Greater Tzaneen Municipality

Chairperson of the Municipal Public Accounts Committee (MPAC) Cllr Stranger Mbhalafi

Municipal Manager, Mr Masiye Mankabidi

All Directors Present

Members and representative of our traditional authorities

Members of all the opposition parties

Members of the ward committees

Members of the public in attendance here today

I am pleased to present the third preliminary budget of this administration which took office on the 2nd of June 2011. I know most of you are wondering why we are presenting this preliminary budget earlier than usually. This is due to the upcoming National and Provincial general elections scheduled for the 7th of May.

In putting together this budget we had to take in to consideration various factors which include amongst other inflation forecasts, revenue and cash flow forecasts. We have also taken into consideration the affordability of the new or proposed tariffs. We had to take into consideration the interest of our poor households as well as the financial sustainability of the municipality.

Honourable Speaker

Last year we approved a multi-year budget which is to run until 2015/16 financial year. This budget was done in consultation with our residents across all 34 wards. The preliminary budget that I am about to present will also undergo the same degree of scrutiny from our residents in all 34 wards. Unfortunately due to the financial constraints we cannot reach every corner and every one of the 390 000 who reside in the 124 villages and towns who resides in our Municipality. This budget in a culmination of hard work by Officials and Councillors, especially the finance portfolio committee, Chaired by Council Cassius Machimana. I would like to pass a sincere word of gratitude to you and your team, including officials who worked tirelessly to ensure that we have this living document that can stand all scrutiny.

Honourable Speaker

The total revenue for the 2014/2015 financial year amounts to R933 million, which represents an increase of R77 million over the 2013/2014 financial year. This increase is mainly due to the increase in service charges and external grants from Government. The total revenue budget includes an amount of R236 million which represents the equitable share allocation to the Greater Tzaneen Municipality. An amount of R77 million will be levied by way of property tax and R431 million will be sourced from user charges. National allocations to fund operational activities amount to R4,6 million which includes the Finance Management Grant of R1,6 million, the Municipal Systems Improvement Grant of R934 thousand and the EPWP Grant of R2 million.

Fellow Councillors

An amount of R844 million has been made available on the operational budget for expenditure. This substantial increase is largely due to the significant increase in salaries, repairs and maintenance, depreciation and ESKOM's tariff for bulk electricity purchases. The Expenditure amount also includes R251 million for salaries, R122 million for repairs and maintenance and R269 million for the purchase of bulk electricity and water.

In terms of percentage staff cost which includes salaries and employee benefits will be 30.8% which is within the maximum set by national treasury 35%. Bulk purchases make up 30.1% of the total expenditure and repairs and maintenance constitute 18.2%. The remaining 9.3% will be allocated for general expenses.

Honourable Speaker

Infrastructure development is critical if we are to achieve our dream of transforming our town into a city in the next 16 years. Infrastructure development is an economic driver, it creates employment during the project and even years afterwards. An amount of R173 million has been allocated for capital expenditure for the 2014/2015 financial year. This amount includes the Municipal Infrastructure Grant allocation of R83 million which will be spent on roads, Sport and Recreational facilities as well as an amount of R18,5 million which represents counter funding on MIG Projects. Capital from own sources amounts to R65 million

Fellow residents

The property rates are to increase by 5.6% while the tariffs for consumptive based services such as solid waste, water and sanitation are all to increase by 6%. Electricity is to go up by 7.39%.

Distinguished guests, ladies and gentlemen

Water is life and we must continue to provide this basic service to our communities on a regular basis. Failing to do so is a violation of your rights. Mopani District Municipality is a Water Service Authority (WSA) while Greater Tzaneen Municipality is the Water Service Provider (WSP). Under the Service Level Agreement, Greater Tzaneen Municipality operates and manage the following Water and Waste water works, Tzaneen Dam, Georges Valley, Letsitele and Tzaneen waste water works. In conjunction with Mopani we continuously seek ways to ensure our communities have access to water. The Nkambako Bulk water supply is now providing water to more than a dozen villages and more villages are to benefit from its supply. Thapane, Thabine, Tours Dam, and Semarela water works will continue to provide water to our villages. We are also proud to have three of our water treatment plants certified Blue Drop, which indicates that our water is highly recommended for drinking purposes.

Honourable Speaker

Our commitment to providing water in every corner of this municipality is besieged by many challenges, challenges such as illegal connections which lead to substantial water loss and blockages. Financial constraints make it difficult to do maintenance and repairs on our already strained and ageing infrastructure. Demand for water is very high while supply remains unchanged, we have taken steps in addressing these challenges including expanding our revenue collection to rural areas in order to increase our income to speed up development. I want to call on members of our communities to play a vigilant role in protecting our infrastructure from theft and vandalism.

Honourable Speaker

Electricity is another basic service that must be in every household, it is a need in today's life. We have a good story to tell. Today 89% of the Municipality's distribution area has been electrified, and 87% under Eskom distribution area has been electrified. The areas that remain without electricity connections are new extensions and some farm labour houses. Significant progress has been made in providing electricity and we are Working hard to ensure that the remaining 13% also get connected. This is great progress that we can surely build on. Since the current administration came into power in the June of 2011.

Honourable Speaker

Proper Environmental Management is a key in preserving our environment for current and future generations. We continuously seek proven methods and new ones to prevent pollution and environmental degradation. We provide refuse collection services in the towns on a weekly basis and these services are to be extended to rural areas through our Rural Waste Minimisation Programme. Yes, we have a good story to tell. Our efforts were rewarded last year during the Greenest Municipality Competition, where we were crowned the champions of South Africa. This proves our commitment to excellence in service delivery. We were rewarded with a 3.5 million cheque, which is to be used for Rural Waste Minimisation, Greening and Beautification as well as Wetland Management.

We will continue to ensure that food handling premises such as restaurants, supermarkets and lodges adhere to the highest standards of hygiene through continuous inspection. Through our cleanest school competition, we encourage schools and their learners to play an active role in environmental conservation by planting trees and vegetables, ensuring cleanliness in their schools as well as spreading the message of hygiene. We believe that these learners will continue to spread the world long after they have left school.

Honourable Speaker

Education is one of government's key priority areas. Our cooperation with the department of education is critical if there is to be success in our efforts to liberate our communities from the bondages of poverty and inequality. In 2013 we assisted 43 students from impoverished backgrounds access tertiary education through the Mayor Student Financial Aid scheme, in 2014, 68 learners benefited from the same scheme which is aimed at ensuring that children from poor families are not excluded from formal tertiary education due to their socio-economic statuses. An amount of R400 000 has been set aside to assist more students further their education.

Honourable Speaker

Economic growth is essential if we are to get more of our people back to work. That is why we had guaranteed that on the 1st of July 2013 the Greater Tzaneen Economic Development Agency became a Municipal Entity. This means that we must also prepare a budget for this Agency. An amount of R6.5 million has been set aside for the agency. GTM will contribute R2.5 million and the Independent Development Corporation (IDC) will contribute R3million and the remaining R1million will be sourced from facilitation fees. GTEDA's mandate is to bring in investment and drive Economic Development in our Municipal Area. This agency will also play a pivotal role in the attainment of our 2030 vision.