

***Budget Speech by the Mayor of Greater Tzaneen
Municipality, Dikeledi Josephine Mmetle Council sitting
held at Council Chambers on Tuesday, 31 May 2016.***

Speaker of Council, Cllr Machimana

Traditional Leadership

The Chief Whip of the Ruling Party, Cllr Mangena

Members of the Executive Committee

Chairperson and Members of MPAC

PR and Ward Councillors

The Municipal Manager, Mr Monakedi

Directors and Managers

Ladies' and gentlemen

Good morning, Avuxeni, Dumelang, Gooi more

Let me from the onset extend a word of gratitude to those who made it possible for us to present this budget today

I want to thank the speaker of Council Councillor Machimana for leading the public participation process and the Chairperson of the Finance cluster, Councillor Mboweni for steering the budget process.

I must also thank the administration under the leadership of Mr Monakedi for ensuring that both the budget process and the IDP process were concluded in time as per the requirements of the national treasury.

I also want to thank the entire Executive Committee including our traditional leadership for your role and making this budget a reality.

My appreciation will not be complete if I do not extend my gratitude to all the officials who made a contribution towards the drafting of this budget. The Chief Financial Officer, Mrs Norah Lion, directors and managers.

I want to thank Mr Johan Biewenga who has been in the forefront of this entire process not for this current term of office but for years before us.

Let me also thank the IDP officer, Mr Headman Mkharhi for his contribution to the entire process.

As I present the final budget of the current administration, I must say that I'm content with the level of delivery that we have overseen in the past 5 years.

I must also admit that there are issues that we could have handled much better than we did but on the same breath we must draw lessons from both our failures and successes.

In the past 5 years we have navigated through storms, we met obstacles and challenges but our resolve to positively alter the lives of our people kept us strong and focused.

Through the years we have weathered the storms, politically and administratively. The past five years has seen us invest heavily in community infrastructure that has brought us a step closer to our dream of a better life for all.

Through our intergovernmental relations framework we have managed to coordinate the delivery of services to our people and integrate our programmes through the IDP .

Today, communities that were in a state of despair in 2011 are in a much more improved state.

*Mr. Speaker, the total revenue for the **2016/2017** financial year amounts to **R1,099 billion**, which represents an increase of R59 million over the 2015/2016 financial year.*

This increase is mainly due to the increase in property rates, service charges and external grants from Government.

*The total revenue budget includes an amount of **R291,1 million** which represents the equitable share allocation to the Greater Tzaneen Municipality.*

*An amount of **R95 million** will be levied by way of property tax and **R520,5 million** will be sourced from user charges.*

*National allocations to fund operational activities amount to R3,759 million which includes the Finance Management Grant of **R1,810 million** and the EPWP grant of **R1,9 million***

An amount of R1,047 Billion has been made available on the operational budget for expenditure.

This substantial increase is largely due to the increase in salaries, repairs and maintenance, general expenses and ESKOM's tariff for bulk electricity purchases.

*The Expenditure amount also includes **R241 million** for salaries, **R154 million** for repairs and maintenance and **R333 million** for the purchase of bulk electricity.*

An amount of R133,6 million has been allocated for capital expenditure for the 2016/2017 financial year.

*This amount includes the MIG allocation of **R85,3 million** which will be spend on roads and Sport and Recreational facilities.*

*Capital from own sources amounts to **R21,3 million**.*

GTEDA BUDGET

*The total revenue of GTEDA's Budget amounts to **R6,735 million** which represents an increase of **R1,2 million** on the 2015/2016 annual budget. The total revenue amount consists of a Grant from GTM.*

*The total operational expenditure amounts to **R6,500 million** of which **R3,465 million** of the total expenditure represents salaries and an amount of **R1,1 million** of total expenditure represents general expenditure.*

*An amount of **R235 thousand** has been provided for IT equipment in the capital budget.*

Mr Speaker, in the 2016/17 Financial year we are going to increase property rates by 6,6%, Electricity will go up by 8.64%, water will increase by 6.6% while sanitation and solid waste will both go up by 6.6%

Mr Speaker, Expenditure categories in terms of percentage of total expenditure is as follows:

*Staff cost will amount to **30,0%**, bulk Purchases will be **31,0%**, while Repairs & Maintenance makes **17,8%** and **10,0%** of the budget will go to General Expenses*

After approval of the Draft 2016/2017 Budget by Council, National Treasury issued Circular 79 which contained amended guidelines on inflation and forecasting information.

Budget Meetings were then held by the Budget Steering Committee to consider the inputs received from National Treasury, Provincial Treasury and the community.

The inputs received from the community amount to 110 in total and are mainly issues already addressed by the Budget Steering Committee. These inputs inter alia include the following:

- Grading of Sport fields*
- Grading of internal streets*
- Extension of electricity*
- Building of bridges*
- Ablution facilities*
- Water reticulation*
- Streetlights / Apolo lights*
- Waste Management drop off centres.*

As mentioned previously most of these issues have already been address.

The requests that cannot be addressed during the 2016/2017 financial year have been referred to the IDP to be prioritized during the drafting of the 2017/2018 Budget.

Mr Speaker, in the 2016/17 financial year we are going to spend the Municipal Infrastructure Grant on the following projects:

R22.8 million on the Rita to Mariveni: Upgrading Road from Gravel to Tar- Phase 3 of 4

R24.7 million on the Moruji to Maswi: Upgrading of road from Gravel to Tar: Phase 3 of 4

R21.1 million on the Tickyline to Mafarana: Upgrading of Road from Gravel to Tar: Phase 3 of 4

R16 million on the Upgrading of Runnymede Cluster Sports facility: Phase 2 of 2

R700 000 on the Upgrading of Burgersdorp Sport Ground: Phase 1 of 3

R2.5 million on Apollo lights

R2.6 million on the Construction of Low Level Bridge at Khubu Village

And **R4.5 million** PMU Management

*Mr Speaker, we are going to take a loan of **R20 million**. The R20 million will be used to finance capital projects. The **R20 million** from own sources allocated for Capital Projects will then be allocated to accommodate Operational expenses.*

*The **R20 million** loan will be used for the following projects:*

R900 000 for Parks ablution block

R1.3 million for Khwekhwe low level bridge

R2 million Rikhotso low level bridge

R500 000 for Mohonyane low level bridge

R3 million for the purchase of land

R200 000 for Sound System/Loud hailing

R2.1 million for Furniture & Equipment

R7.5 million for Renewal Repairs & Maintenance Electricity

R2.5 million for Renewal Repairs & Maintenance Roads

Fellow councillors and officials, due to tough economic times and the need to exercise fiscal discipline, we must implement the cost containment measures as alluded to by President Jacob Zuma in his state of the Nation Address and outlined by the Finance Minister in his budget speech.

We must control and reduce our spending on areas such as entertainment, travelling, furniture, printing, catering, car hire, overtime and flights.

Mr Speaker, as a municipality we are expected to implement the mSCOA, the implementation of mSCOA is an initiative of National Treasury to ensure transparency and expenditure control in each sphere of Government by

introducing generally recognized accounting practice, uniform expenditure classifications and uniform treasury norms and standards.

*We have already established the MSCOA steering committee headed by the Municipal manager and we have also set-up the Mscoa Project Implementation team. An amount of **R1,9 million** have been provided for changes to the financial system.*

Mr. Speaker, we are also implementing the Back to Basic Plan and we are doing ok, however there is still room for improvement.

Speaker and Council, I table before this august house, the 2016/17 Budget of the Greater Tzaneen Municipality for your consideration.

I thank you