

2015/16 Budget Speech by Her Worship Mayor of Greater Tzaneen Municipality, Dikeledi Josephine Mmetle during an ordinary Council Sitting on the 28th of May 2015 at Letaba Showgrounds.

Speaker of Council, Councillor Machimana

Chief Whip of the Ruling Party, Councillor Mangena

Chairperson of the MPAC, Councillor Nukeri

Members of the Executive Committee and Chairperson of Portfolio Committees

Leader of the opposition

Fellow Councillors

The Acting Municipal Manager, Ms Norah Lion

Directors

Members of the ward committees

Representatives of all stakeholders present here

Ladies and gentlemen

Fellow South Africans

Mr. Speaker

Thank you very much for affording me this opportunity to address this ordinary sitting of council during this consideration of the 2015/16 budget vote of the Greater Tzaneen Municipality. I am absolutely confident that the budget I am about to outline here today will change the lives of our people for the better.

On the 25th of this month we celebrated Africa Day in the backdrop of xenophobic attacks that shook our nation, these horrific attacks on our fellow brothers and sisters put a dent on our impeccable credentials as a tolerant nation which embraces diversity, a rainbow nation who's foundation is laid on the

struggle for humanity, equality and democracy. I am happy that none of our towns or villages have experienced these attacks, we must fight to ensure that no foreigner is attacked simply because they are foreign. We must say no to Xenophobia.

As council we identified as a matter of priority the tackling of escalating legal fees and overtime bill. We introduced a legal rate card as a way of addressing the legal fee challenges. We have also tasked management to ensure that overtime is not abuse and that they must preapproved in work outside the normal working hours.

We must also acknowledge that loadshedding is norm that we must get accustomed to at least for the next three years, how bad loadshedding gets is dependent on us as consumers. While we do our best to avert a total blackout, consumers must help us save electricity by following energy service guidelines offered by Eskom. We will be informing residents of the times when they will be cut off. We have already started spreading the message through our facebook page and some residents receive notifications through sms.

Fellow residents, in the past few months we have focused our energies to strengthening the capacity of this municipality to basic deliver services and to expand infrastructure that has a bearing on economic development. We have deliberated on what is required to get this municipality to optimum performance, however the absence of a permanent municipal manager has dented our efforts, this has caused an administrative vacuum. We however remain resolute in our efforts to stabilise our administration, and now that we have amicably parted ways with the former municipal manager, a path has been cleared to appoint a municipal manager. We hope that we will find a candidate that possesses the necessary skills to help us reach our strategic objectives.

Out of the seven senior management positions, three will be soon vacant. I must acknowledge that this seriously affect our ability to effectively execute our responsibilities as a municipality. We need to urgently fill these positions to ensure stability and accountability.

Mr Speaker

If we are to improve our performance as a municipality, we need to improve our operational efficiency and responsiveness to service delivery. Our senior managers need to acknowledge the fundamental importance of addressing underlying service delivery hindrances.

Fellow residents, When the ANC took over government 1994, and liberated millions of South Africans mostly blacks, from the shackles of poverty, deprivation, segregation and inequality, many thought that was the end of the struggle, but in reality 1994 is where the real struggle began, in 1994 we had to grapple with the basics of running a government, we had to become accustomed to the systems and processes. We have to get accustomed to self -governance and in doing so we had to endure the insults from those who wished us away. We had to struggle with external forces and even internal forces intent on destabilizing our programmes of integrating millions of our people previously excluded from the economic participation.

Fellow councillors, when our people take to the streets in protest of the slow pace of service delivery or prolonged disruption of certain services, what they are really saying is we need employment, we need employment so that we can build our own houses, pay for our water and electricity. Our people are yearning for economic freedom, they want to do business and thrive, and they want sustainable jobs.

Ladies and gentlemen, the total revenue for the 2015/2016 financial year amounts to R1 billion and forty five thousands rands (R1,045 billion), which represents an increase of R111 million over the 2014/2015 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 R288 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R81, 5 million will be levied by way of property tax and R485 million will be sourced from user charges. National allocations to fund operational activities amount to R4,4 million which includes the Finance Management Grant of R1,6 million, the Municipal Systems Improvement Grant of R930 thousand and the EPWP Grant of R1,8 million.

An amount of R965 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, Contracted services, General expenses and ESKOM's tariff for bulk electricity purchases.

The Expenditure amount also includes R273 million for salaries, R135 million for repairs and maintenance and R307 million for the purchase of bulk electricity and water.

An amount of R145 million has been allocated for capital expenditure for the 2015/2016 financial year. This amount includes the MIG allocation of R87 million which will be spend on roads and Sport and Recreational facilities as well as an amount of R10 million which represents counter funding on MIG

Projects. Capital from own sources amounts to R53 million. A summary of the detailed capital budget is attached as Annexure “R” to this report.

Mr Speaker, on Tuesday Stats SA released two sets of economic data, both results were disappointing. The report shows an increase in unemployment in the country with 26,4 percent of potentially economically active South Africans not working. The report also states that South Africa has nearly 36-million employable people, but only 15,5-million are currently employed. The data also show that our GDP only grew by 1.3% in the first quarter of this year. These economic statistics require that we improve our job creation efforts and expedite our economic development strategies. This responsibility rests with our Economic Development Agency, GTEDA. In order to help GTEDA to execute their mandate, we have allocated an amount of R5,5 million which represents an increase of R1 million on the 2014/2015 annual budget.

The total operational expenditure amounts to R5,5 million of which R3,8 million or 70% of the total expenditure represents salaries and an amount of R1,7 million or 30% of total expenditure represents general expenditure.

Mr. Speaker the staff cost for the 2015/16 financial year will constitute 30 % of the total Expenditure, it is critical that management ensure that expenditure on overtime does not exceed the threshold. Management must also ensure that there is discipline among staff members and that overtime is kept at a minimum. Management must ensure that policies are implemented stringently.

Bulk purchase for electricity will amount to 30%, repairs and maintenance will amount to 17% and general expenses will amount to 10%.

It must be noted that all tariff increases are within the guidelines set by National Treasury which confirms that Greater Tzaneen Municipality does not prejudice National Economic Policy on Inflation.

Mr. Speaker as a municipality we are currently implementing several infrastructure projects in various wards. These projects are much needed relief to our residents who are now able to travel comfortably and have access to economic activities which they previously struggled to reach.

Fellow Councillors, the concept of “**Back to Basics**” which the president introduced to last year is a critical tool that we must use to ensure that communities get the right service of the right quality. If we are to get our people’s confidence back, we need to ensure that the basics are in place, this means that potholes must be patched as soon as they are discovered or reported, this means our public toilets, our parks, cemeteries, stadiums and other sport facilities must get the necessary attention. We must be responsive to the needs of our residents and proper attention must be paid to their grievances.

Mr. Speaker

In Ward 31, in Lenyeny Township we are giving the Lenyeny Stadium a facelift, the project has started and R14.7 million will be spent on it.

This I believe will encourage the people of Lenyeny and surrounding communities to engage in sporting activities. It must also be noted that the people of Lenyeny have raised concerns with regard to the features of the upgrade, which is clearly understandable.

It is critical that communities are brought on board about future developments in their areas, to ensure that what we give them is exactly what they require.

This is a definition of participatory democracy, I believe Mr Speaker, that these issues will be averted at all cost in upcoming projects.

Mr. Speaker, during the Preliminary budget speech, I spoke of the suffering of the people of Petanenge and neighbouring village. I spoke on how the delay in the Sasekani to Nkowankowa Road project has affected the lives of our people in that area. I announced at the time that an amount of R24 million has been secured from the National Treasury through the MIG to complete the project, today I can announce that the project is progressing well and soon we will see the results.

Fellow Councillors

These projects will form the base of the legacy of this council; they are an achievement of which pride must be taken from. There are various other projects under use as we speak that we must not be ashamed to take pride in, these include the Senakwe to Morapala road, the Mokgwathi to Ramothinyadi Road, the Thapane to Morutji Road and the Ramotshinyadi Bridge.

Ladies and Gentlemen, an amount of R145 million has been allocated for capital expenditure for the 2015/2016 financial year. This amount includes the MIG allocation of R87 million which will be spend on roads and Sport and Recreational facilities as well as an amount of R10 million which represents counter funding on MIG Projects. Capital from own sources amounts to R53 million.

In the 2015/16 financial year, we will allocate R25.8 million for Rita to Mariveni Road Upgrading from Gravel to Tar: Phase 2 of 4.

We have budgeted 31.4 million Moruji to Maswi Upgrading of road from Gravel to Tar: Phase 2 of 4.

An amount of R22.9 million will be allocated for Tickyline to Mafarana Upgrading of road from Gravel to Tar: Phase 2 of 4

Relela Community Hall: Phase 2 of 2 will receive an allocation to the amount of R9.2 million.

The upgrading of Runnymede Cluster Sports Facility Phase 1 of 2 will have a budget of R4.5 million. An amount of R4.5 million will be set aside for PMU Management.

Mr. Speaker, in ensuring that the work of the Mayor is simplified an amount of three hundred thousand will be set aside for the Mayor Special Account .

Fellow residents, year after year we help learners access tertiary education through the Mayoral Student Financial Aid Scheme. As of today, this scheme has assisted just over 200 learners' access tertiary education since its inception.

We have managed to double the funding for this scheme year after year, and I am pleased to announce that an amount of eight hundred thousand will be set aside for the Mayors Bursary Account for the 2015/16 Financial year. It is our firm belief that education is the key to poverty eradication; we will therefore continuously lobby for a sizable increase in funding to reach even more previously disadvantaged youth of our municipality.

Fellow councillors, in order for this municipality to remain afloat it is essential that we improve our revenue collection rates, we need to ensure that we vigilantly implement our revenue enhancement strategy as well as our credit control policy and by-law. Residents must start to pay for services rendered and

do so in time. It is also important that a programme of consultation is developed in order to educate and inform our residents of these expectations and that when action is taken they must not be surprised.

Property rate increases are necessitated by among others the inflation rate. It is therefore pertinent that in light of the inflation forecast and our need to remain afloat as critical government institution that property rates are increased. The property rates will go up by **5.8 %**, this increase is equal to the inflation forecast.

When inflation rises, the cost of delivering services also increases, these include labour costs, maintenance costs and running cost. These factors call for an increase in user charges. Having taken into consideration the various factors such as income levels, unemployment and off course the inflation forecast the following increases will be implement in the 2015/16 financial year.

Electricity will go up by 12.2 %, Refuse will go up by 6%, Water will also go up by 6% and so is sewer.

In my conclusion, i want to thank the budget and treasury team, led by Councillor Mboweni, his fellow committee members, the Budget Steering Committee, the Chief Financial Officer, Mrs Norah Lion, the Manager for Budget and Financial Administration Johan Biewenga and his team for preparing this budget as well at the IDP Officer Headman Mkharhi.

I therefore present the 2015/16 budget for consideration, and ask that it is approved.

I thank you

