

# ***Preliminary Budget Speech by His Worship Mayor of the Greater Tzaneen Municipality, Councillor Maripe Mangena on 28 March 2019 at Council Chambers.***

*Madam Speaker, Councillor Dikeledi Mmetle*

*Chief Whip, Councillor Cromwell Nhemo*

*Members of the Executive Committee*

*Chairperson of Chairpersons, Councillor Moses Mahasha*

*Chairperson of Portfolio Committees*

*Our traditional leaders*

*Members of our ward committees*

*Municipal Manger*

*Directors and Managers*

*Distinguished guests*

*Ladies and gentlemen*

*I stand before this august house with a great sense of appreciation for having been afforded an opportunity to present the 2019/2020 Medium-term Revenue and Expenditure Framework.*

*As the ANC led government, we were given a clear mandate by the electorate in the 2016 local government elections to deliver sustainable quality services to all communities in the Greater Tzaneen Municipality.*

*Since the assumption of office by the current council we have carried that mandate with diligence and humility, we will continue to ensure that we respond to the aspirations of our people to live in a green, prosperous and united municipality that provides quality services to all.*

## ***Madam Speaker***

*Our people need proper roads, clean drinking water and employment.*

*Our people want to live in clean secure communities where they can raise children in peace and tranquillity.*

*The Municipalities commitment to respond to the communities demand for a better life is reflected in a budget in which the key priorities are the renewal repairs and maintenance of our electricity distribution network and related critical infrastructure maintenance.*

*The total revenue for the 2019/2020 financial year amounts to R1,416 billion, which represents an increase of R156 million over the 2018/2019 financial year. This increase is mainly due to the increase in property rates and external grants from Government.*

*The total revenue budget includes an amount of R383 million which represents the equitable share allocation to the Greater Tzaneen Municipality.*

*An amount of R140 million will be levied by way of property tax and R622 million will be sourced from user charges. National allocations to fund operational activities amount to R27,9 million.*

*An amount of **R2.1 million** from the Finance Management Grant will be available for expenditure in the 2019/2020. This amount will be used for financial capacity building of the municipality.*

### **Madam Speaker**

*1101 people are currently employed through the Extended Public works Programme (EPWP). These people who had no source of income are not able to feed their families.*

*These people include 470 who have been employed internally to do rural waste minimisation across most wards using the conditional incentive grant and own funding.*

*This amount includes the MIG allocation of R89,5 million which will be spend on roads and low level bridges.*

*Capital from loans amount to R20 million.*

***Madam Speaker, Ladies and gentlemen***

*The total revenue of GTEDA's Budget amounts to R8,6 million which represents an escalation of R786 thousand or 10% on the 2018/2019 Annual Budget. The total revenue amount consists of a Grant from GTM.*

*The total operational expenditure amounts to R8.4 million of which R4.7 million of the total expenditure represents salaries and an amount of R2.8 million of total expenditure represents general expenditure.*

*An amount of R235 thousand has been provided for Office Equipment in the capital budget.*

***Madam Speaker***

*The total consolidated budget for GTM and GTEDA for the 2019/2020 financial year amounts to R1, 331 billion, which represents an increase of R15,4 million over the 2018/2019 financial year. This increase is mainly due to the increase in property rates and external grants from Government.*

*The total revenue budget includes an amount of R383 million which represents the equitable share allocation to the Greater Tzaneen Municipality.*

*An amount of R140 million will be levied by way of property tax and R588 million will be sourced from user charges. National allocations to fund operational activities amount to R27,9 million which includes the*

- R4.4 million Nelson Ramodike High School Access Road
- R14.4 million Mopye High School Access Road
- R4.4 million Upgrading of Relela Access Road
- R4.4 million Upgrading of Matapa to Leseka Access road
- R19.1 million Mulati Access Road Paving
- R 2.9 million Upgrading of Mbambamencisi Access Road
- R8.1 million Lenyenye Taxi Rank
- R19.6 million Upgrading of Khujwana to Lenyenye Access road from Gravel to Tar
- R2 million Paving of Internal Streets in Ward 28
- R2 million Paving of Internal Streets in Ward 5
- R2 million Paving of Internal Streets in Ward 12 & 13
- R1.2 million Erection of Apollo Lights
- R4.7 million PMU Management

*The bulk electricity purchases amounts to R374 million for the 2019/2020 financial year.*

*Electricity losses remain a challenge for the Municipality as it increased to 22% in the 2017/2018 financial year.*

*This challenge has a negative effect on the revenue raised from the highest contributor of the Municipalities internally generated funds and meter reading audits will be performed to curb the losses.*

*A loan of R20 million from DBSA will be utilized to upgrade our distribution network.*

### **Madam Speaker**

*Each year the Municipalities solid waste function is brought under pressure due to the fact that +- 33 600 Rural households have access to a basic removal service less frequent than once a week.*

*+- 66 550 Rural households are using communal dump services.*

*An increase of 5.6% on the previous financial years tariff is proposed, which will provide for an amount of R30 million as service charges on the 2019/2020 Budget.*

*In conclusion, I want to us to observe a moment of silence in mourning the death of Rhandzanani Mhangwana (34) who was stabbed to death on Friday, 22 March in Nkowankowa Section D.*

*On the 18<sup>th</sup> of March we lost Thabo Mapuru and Light Phatudi who drowned at Mohlaba Dam, they were just 9 years old.*

*Madam Speaker*

*I present to this august house the draft Medium-term Revenue and Expenditure Framework for 2019/2020 for the approval of council.*

*I thank you*