# Budget (2014/15) Speech delivered by her Worship, the Mayor of Greater Tzaneen Municipality, DJ Mmetle at the Senopelwa Assemblies of God the 27th of May 2013.

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# Mr. Speaker, Councillor Percy Machete

# Members of the Executive Committee and Chairpersons of Portfolio Committees and MPAC

# Chief Whip of the Ruling Party, Napoleon Mboweni

# Tihosi/Makgosi

# PR and Ward Councillors

# Members of the Ward Committees

# Distinguished guests

# Ladies and gentlemen

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# It is an honour and privilege to present the third budget of this current administration of the Greater Tzaneen Municipality. This is a final product of months of hard work and sweat by councillors and officials. It is also a culmination of rigorous scrutiny by the community of the Greater Tzaneen Municipality. We held ratepayers meetings in our towns as well as IDP/Budget consultative meetings in the four clusters of our municipality.

# The amount of consultation might not have been adequate due to limited resources, time and the indifference shown by members of our communities towards government matters. The 5th national and provincial general elections of democratic South Africa also coincided with this year’s budget/IDP consultation period. Although our budget and IDP are a continuation of what has been in existence, public participation must be conducted to allow valuable inputs from our communities. Martin King said *“Our lives begin to end the day we become silent about things that matter.”*  With this said I believe it’s safe to call this budget, the people’s budget.

# Mr. Speaker

# I want to take this opportunity and thank members of our communities for conducting themselves in a respectful peaceful manner before, during and after the election. Now that the election is over and done we need to return to our respective communities and continue with our nation building responsibilities. We need to work on the collective unity and cohesion in our communities in order for us to benefit from the rewards of cooperation and collectiveness.

# As South Africa we need to pride ourselves with our approach to democracy. We held the 5th democratic election without incident, these elections we declared free and fair by both domestic and international observers. We have observed electoral conflicts in Kenya, Zimbabwe, Egypt, Ivory Coast and now Malawi. It is time different political parties join hands to move South Africa forward, because together we can move South Africa forward.

# Mr. Speaker

# Unity in diversity is critical if we are to maintain peace and tranquillity in our country. Religious and political tolerance must prevail if we are to avoid conflicts engulfing other nations around the globe. The abduction of 200 girls in Nigeria by terror group Boko Haram must be condemned. Groups like Boko Haram do not have a place in today’s democratic society.

# Let us not be divided by along racial lines, let us not be divided along tribal lines. Religious beliefs must never divide us and our political ideals must never be reason to hurt another human being, let us fight through ideas not bombs and assegais.

# Mr. Speaker

# This is also the first budget of the Greater Tzaneen Municipality since the untimely death of our beloved icon, struggle veteran, father of nations, our president, negotiator and symbol of democracy, perseverance and reconciliation to the entire universe, our late President Nelson Rolihlahla Mandela.

# On Saturday 24 May, The world joined us as we inaugurated President Jacob Zuma for his second term in office. On Sunday, the president announced men and women who make up his cabinet, ministers and deputy ministers. The President appointed 20 men and 15 women as ministers, he also appointed 20 men and 16 women as deputy ministers. We are confident that these men and women will serve the nation to the best of their abilities and wish them well in their new roles. We also welcome the re-election of Stanley Mathabatha as the premier of our province as well as his new Executive. We welcome Pravin Gordham as the new minister for Cooperative Governance and Traditional Affairs and Makoma Makhurupetsi as the MEC for Cooperative Governance, Human Settlements and Traditional Affairs.

# Mr Speaker

# The President made a commitment to implement the national development plan. The NDP is a tool that we must use at all levels of government to move South Africa forward. We must own it and live it. The NDP is an honest assessment of South Africa’situation; it identifies our Country’s 9 main challenges which are:

# Too few people work

# The standard of education for most black learners is of poor quality

# Infrastructure is poorly located, under maintained and insufficient to foster economic growth

# Spatial patterns exclude the poor from the fruits of development.

# The economy is overly and unsustainable resource intensive.

# A widespread disease burden in compounded by failing public health system.

# Public services are uneven and often of poor quality

# Corruption is widespread.

# South Africa remains divided society.

# To effectively deal with these challenges, it is required that we take collective responsibility, as government, civil society, business, religion and society at large.

# Mr. Speaker

# Mr. Speaker, on the 28th of March 2013, I presented the 2013/14 annual budget and IDP at Nkowankowa community hall during a council sitting. Today I want to present a progress report of the major projects that we budgeted for in this current financial year.

# The Sasekani to Nkowankowa road which has been a subject of controversy is progressing well; however there were delays due to the excessive rain that we experienced in November and December. The contractor is now busy with roadbed, fill layers and sub base.

# The Mantswa to Morapala tar project road is at 57%.

# In the Thapane to Morutji gravel to tar project is still site establishment, clearing and grabbing.

# Nkowankowa section C ring road progress stands at 90%, the contractor is busy with final touches and the residents have started using the road.

# The progress of the Mafarana, Ntsako, Bonn to Sedan tar road project is at 64%.We have appointed a contractor for the construction of Politsi road and they are busy with site establishment.

# From 2013 we have connected electricity in the following villages:

# Dan Extension 2

# Mackery,

# Maweni,

# Relela,

# Maribathema,

# Sethong,

# Mbekwena,

#  Lwandlamuni,

# Zanghoma,

# Lekgwareng

# Fobeni

# Mohlaba Cross

# Khujwana

# Some of these projects are still underway and progressing well, while others have been completed. This financial year we will continue to connect more families.

# Fellow Councillors

# The 2014/2015 medium term revenue and expenditure framework proposes a consolidated budget of R996 million which includes the budget of our newly established municipal entity, GTEDA as well as budgets for the water and sewer services of which Greater Tzaneen Municipality is only the service provider. This Budget was prepared in line with the Municipal Finance Management Act and will support GTM’s strategic goals as contained in our Integrated Developmental Plan.

# The projects in the IDP have been prioritized and will be implemented over the next three years. Due to funding constraints Council could not accommodate all high priority projects in the first year and had to spread it over a three year period which is in line with National Treasuries requirements. The three year capital programme also contributes to sound financial management.

# The application of Sound Financial Management Principles for our Municipalities Financial Plan is essential and critical to ensure that Council remains financially viable and that our services are provided sustainably economically and equitably to all communities with emphasis on long term sustainability.

# The budget has been prepared in terms of guidelines contained in National Treasury’s MTREF Circular 70 and Circular 72 and the requirements of the Municipal Budget and Reporting regulations.

# Council has embarked on implementing a range of revenue collecting strategies to optimize the collection of debt owned by Consumers. Furthermore, Council is currently undertaking a billing data cleanup exercise which has already yield good results.

# With regard to expenditure management Council is informed that cost containment measures have been approved by Cabinet on 23 October 2013 to ensure savings on the following six focus areas:

# Consultancy fees

# No Credit Cards

# Travel and Related Cost

# Advertising

# Catering and events cost

# Cost for accommodation

# To ensure value for money and to curb cost we have been urged to take cognizance of the cost containment measures which have been prescribed for Government Departments, constitutional institutions and public entities.

# The fact that National Treasury informed Municipalities that it is their intention to ensure that all Municipalities conform to these requirements puts an obligation on us to ensure that we implement and comply to these cost containing measures.

# The following changes to the approved 2014/2015 draft budget have also been requested and effected:

# An amount of R1,5 million has been provided to accommodate the increase of 7% on Councilors current allowances. Due to the fact that the previous increase in Councilors allowances was Gazetted and implemented late resulted in the under provision of Councillors allowances on the Draft Budget.

# The repairs and maintenance budget has been increased by R5 million on the previous year budget to accommodate much needed repairs and maintenance on roads and our electricity network. The rain storms during February 2014 caused serious damages to roads and the electricity network which due to insufficient budget could not be accommodated during the 2013/2014 financial year. This is a matter of concern and needs to get special attention. The provision for repairs and maintenance on roads has been increased by R3 million on the previous year budget and the provision for repairs and maintenance on the electricity distribution network has been increased by R2 million

# An amount of R200 000 has been provided to accommodate the advertising cost with regard to the Supply Chain Management function.

# An amount of R1, 9 million has been provided on the information technology budget for the rental of computer hardware and software and to ensure that licences are renewed and anti-viruses and backup systems are in place.

# An amount of R200 000 has been provided for the training of Councillors in addition to the R380 000 that was provided for this purpose during the 2013/2014 Adjustment Budget. Training above the R200 000 will be allocated against the MFMG.

# An additional amount of R100 000 has been provided to ensure the smooth functioning of MPAC.

# An additional amount of R100 000 has been provided for disaster relief.

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# The remuneration of Traditional Authorities was increased through a Councils Resolution and an amount of R100 000 has been provided to accommodate this expenditure.

# An additional amount of R75 000 has been provided for the subsistence and travel of Councilors. It must be mentioned that travel and subsistence cost is one of the items which is included in the cost containment measures approved by Cabinet on 23 October 2013.

# An amount of R500 000 will be provided for the Vision 2030 project. This amount will be used as start-up allocation and the future budget allocations for this project will be based on the programme to be approved.

# To accommodate this request the following Capital projects have been identified as savings:

# The acquisition of land in Nkowankowa for the establishment of a cemetery be reduced from R1 million to R800 000.

# The transfer of state land to Greater Tzaneen Municipality for regional cemetery to be reduced from R500 000 to R350 000 and,

# The Talana Hostel programme to be reduced from R500 000 to R350 000.

# Nelson Mandela once said that education is a weapon that we can use to combat poverty, that is why we continuously invest in the education of children. This year we sent 10 young people who struggeled with finances to further their studies. We secured bursaries for them to study at the Samsung academy, these young people are progress well and they will be able to improve their lives after completion. On top of the 10 learners we secured 5 LGSETA bursaries valued at R45000 each. The five learners are now studying in various institutions in the country. In the beginning of this year we managed to identify 68 matriculants from all 34 wards of the GTM and committed an amount of R5000 for each of the 68 learners in order to assist them with registration in the universities, FETs and Colleges. The view was that they will be able to secure assistance from the Nation Student Financial Aid Scheme to further their studies. The Mayor’s Student Financial Aid Scheme is helping children from our poor communities reach their dream of a better life. The amount might seem too little but to a poor family who struggle to feed their families it makes a significant difference, that is why the Mayors bursary account has also been increased from R400 000 for the year to R800 000.

# 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.

# An amount of R851 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, R125 million for repairs and maintenance and R269 million for the purchase of bulk electricity and water.

# An amount of R171 million has been allocated for capital expenditure for the 2014/2015 financial year. This amount includes the MIG allocation of R83 million which will be spend on roads and 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 R62 million.

# GTEDA BUDGET

# The total revenue of GTEDA’s Budget amounts to R6,5 million which represents an increase of R1 million on the 2013/2014 annual budget. The total revenue consist of a R3 million Grant from IDC, a R2,5 million Grant from GTM and facilitation fees of R1 million.

# The total operational expenditure amounts to R6,5 million of which R3,8 million or 60% of the total expenditure represents salaries and an amount of R1,9 million on 29% of total expenditure represents general expenditure.

# An amount of R25 thousand has been provided for office equipment in the capital budget.

# Rates and tariffs

# Property rates will go up by 5.6%

# The following increases on consumptive-based services will be affected in the 2014/15 financial year:

# Electricity (average) 7,39%

# Water 6%

# Sanitation 6%

# Solid Waste 6%

# Expenditure categories as a % of total expenditure for the consolidated budget Greater Tzaneen Municipality and GTEDA excluding water and sewer budget.

# Staff cost 29,5%

# Bulk Purchases 31,6%

# Repairs & Maintenance 14,7%

# General Expenses 9,8%

# We believe that with this budget we will be able to meet our obligation as a municipality and continue smoothly in our endeavour to bring prosperity, comfort and convenience to our 390 000 residents in our 125 villages and towns.

# If it was upon our shoulders each household will have electricity, proper sanitation, a decent house, clean drinking water and our roads will be tarred. We have made significant improvements to communities that we inherited 20 years ago by any standards possible. I want to conclude this speech by quoting our Icon, the late president Mandela *“Overcoming poverty is not a task of charity, it is an act of justice. Like Slavery and Apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. Sometimes it falls on a generation to be great. YOU can be that great generation. Let your greatness blossom.”*

# I thank you