**Preliminary Budget Speech by the Mayor of Greater Tzaneen Municipality, Maripe Mangena during a special Council sitting held at Council Chambers on Friday, 30 March 2017.**

Madam Speaker, Cllr Dikeledi Mmetle

The Chief Whip of Council, Cllr Cromwell Nhemo

Members of the Executive Committee

PR and Ward Councillors

The Municipal Manager, Mr Monakedi

Directors and Managers

Distinguished guests in the public gallery

Members of the media

Ladies and gentlemen

Good afternoon

It is my singular pleasure Madam to stand in this chamber to present the 2017/2018 draft annual budget.

Let me from the onset take this moment and pay tribute to the fallen stalwart, Rivonia trialist Ahmed Kathrada who was taken to his final resting place yesterday. We have also lost actor Joe Mafela who was also buried yesterday. Let us all rise and observe a moment of silent.

Madam Speaker

Government has introduced the “Back to basic” programme that must be implemented by all municipalities. This concept is premised on five pillars, which are:

* Putting people and their concerns first;
* Supporting the delivery of municipal services to the right quality and standard;
* Promoting good governance, transparency and accountability;
* Ensuring sound financial management and accounting; and
* Building institutional resilience and administrative capability.

This madam speaker is call to all of us to ensure that we have an open communication line with our communities, we must therefore take advantage of all available platforms to engage our people because in the absence of information propaganda prevails. This

Madam Speaker

Ladies and gentlemen, I table this draft budget in line with provisions of Section 16(2) of the Municipal Finance Management Act (MFMA) which requires that the Mayor must table the draft annual budget to Council at least 90 days before the commencement of the new financial year. This is important in two respects:

It affords Council ample time to deliberate on the content of budget document, thereby effectively discharging its oversight role.

It also affords members of the public, individually and collectively, to interrogate the proposed budget so that they can make representations for their benefit.

This is of course an important pillar of our democracy, where public participation should inform all processes associated with local government.

It is therefore a privilege honour to table this invaluable document for discussion.

**Madam Speaker**

The total revenue for the 2017/2018 financial year amounts to **R1,225 billion**, which represents an increase of R60,2 million over the 2016/2017 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 R311,9 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R108 million will be levied by way of property tax and R567,5 million will be sourced from user charges.

National allocations to fund operational activities amount to R7,063 million which includes the Finance Management Grant of R2,145 million and the EPWP R4,918 million.

An amount of R1,173 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 R286 million for salaries, R230 million for repairs and maintenance and R348,3 million for the purchase of bulk electricity and water.

No Capital expenditure has been budgeted for the Water and Sewer services.

**Fellow councillors**

We are going to increase property rates and service charges in the 2017/18 financial year.

Property rates increases are based on the inflation forecast contained in National Treasuries Budget Circular 85 and is calculated on Councils general valuation roll.

The increases in property rates are equal to the inflation forecast in all three financial years.

Property rates will go up by 6%, electricity will be increased by 1.88%, Refuse will be hiked by 6%, water will also go up by 6% and sewerage will be increased by 6%.

**Madam Speaker**

We have established an agency to drive economic development in the municipality, this agency has a responsibility to attract investors to invest in the various economic sectors, be it mining, manufacturing, agriculture or retail. This agency is full owned by the GTM and we also provide 100% funding for its operations.

In the 2017/2018 financial year we will inject an amount of R7,146 million which represents an increase of R411 thousand or 6,1% on the 2016/2017 Annual Budget.

The total operational expenditure amounts to R6,911 million of which R4,622 million of the total expenditure represents salaries and an amount of R1,5 million of total expenditure represents general expenditure. An amount of R235 thousand has been provided for Office Equipment in the capital budget.

**Fellow Councillors**

As much as we need to maintain the current infrastructure which includes our road, electricity network, sewage system and all public facilities we also need to provide new infrastructure to areas that have suffered years of neglect and exclusion.

Amount of R140,8 million has been allocated for capital expenditure for the 2017/2018 financial year. This amount includes the MIG allocation of R91 million which will be spend on roads and Sport and Recreational facilities as well as an amount of R5 million which represents counter funding on MIG Projects. Capital from loans amount to R34 744 614.

In the 2017/2018 financial year we will make funds available for the capital following projects:

R3.1 million for Mawa Block 12 Low Level Bridge

R39.6 million for Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 4 of 5

R11 million for Nkowankowa Codesa Street to Hani Street

R6.3 million for Lenyenye Street Paving

R8.92 million for the Upgrading of Burgersdorp Sports Ground: Phase 2 of 2

R4.5 million for Upgrading of Juliesburg Sports Ground: Phase 1 of 2

R3.5 for Tickyline to Makhwibidubung Storm Water Management

R6.3 million for Mopye High School Access Road

Mulati Access Road Paving

R6.5 million for the Nelson Ramodike High School Access Road

R4.8 million for the running of the Project Management Unit

Madam speaker, this is a multiyear budget, therefore we have prioritised projects for the nex three financial years. In the 2018/2019 we plan to make an amount of R101 580 , 000 available for capital projects.

R11.3 million for the Upgrading of Nkowankowa Stadium: Phase 2 of 2

R7.1 million for the Upgrading of Juliesburg Sports Ground: Phase 2 of 2

R25.7 million for Moruji to Maswi: Upgrading of Road from Gravel to Tar: Phase 5 of 5

R20.3 million for the Upgrading of Lenyenye Stadium: Phase 2

R21.2 million for the Upgrading of Nkowankowa C Taxi Rank

R12 million for Lenyenye Taxi Rank and

R5.1 million for Project management

**Madam Speaker in the 2019/2020 we** plan to fund the following capital projects:

R20.75 million for Topanama Access Road to Serurubele School

R25.5 million for Nkowankowa B Street

R20.2 million for Marirone to Kubyana Street Paving

R23.7 million for Thapane Street Paving

R3 milllion for Relela Primary School pedestrian bridge -ward 8

R3 million for Mmakobo Secondary School pedestrian bridge- ward 3

R3 million Leolo pedestrian bridge-wards 33

R3 million for Montsheng School pedestrian bridge- ward 30

R5.4 million for PMU Management.

Madam speaker and fellow councillors

In the past few months we have been at the receiving end of complaints by angry residents especially in the farming community due to electricity disruptions.

We have met with the aggrieved farmers and from that engagement we developed a programme to address a variety of challenges which are been at the centre of their disgruntlement.

These challenges include among others poor vegetation control, insufficient funding for electricity network upgrade and maintenance, availability of electrician, vehicles and stocking of transformers. Another critical aspect that was deemed critical is communication between the municipality and the ratepayers especially in terms of disruptions and plan to address them. We also have to look at our call centre which serves as a redress mechanism.

We also maximized our pace in relation to the rural electrification programme, and it is pleasing to note that our extension list is almost exhausted this speaks to our commitment to doubling our efforts in ensuring that our rural communities have access to sustainable basic services and infrastructure.

We have made an amount of R45 million available for electricity refurbishment and infrastructure. Some of the projects are multi-year which means they will be unrolled over a three year period, that’s 2017/2018, 2018/2019 and 2019/2020.

R1.1 million for streetlights in ward 15

R300 thousands for Area Lighting at Tarentaal rand Crossing

R15 million for New Electricity Connections (Consumer Contribution)

R2.55 million to replace 2 x 20 MVA 66/11 kV at Tzaneen main sub

R300 thousands for prepaid Meters

R1 million to replace Replacing 11kv cables

R500 thousands for Meter boxes

R450 thousands for Replacing LV cables

R1 million to replace Minisubs

R500 thousands for Rebuilding of lines – Letsitele Valley substation – Bosbou and all T offs

R1 million to rebuild Valencia 11kv lines

R500 thousands for Rebuilding of Lushof South 11kv lines

R1 million to Rebuilding of Rooikoppies 11kv lines

R1 million to Rebuilding of Mabiet 11kv lines

R1 million to Rebuilding of Haenertsburg 11kv lines

R1 million to Rebuilding of Campsies Glen 11kv lines

R1 million to Rebuilding of Politsi Valley 11kv lines

R400 thousand Rebuilding of CP Minnaar 11kv lines

R400 thousand Rebuilding of Mieliekloof / Deerpark 11kv lines

Rebuilding of Letaba Feeder 33KV line

R1 million for Upgrading of Waterbok 33/11KV Substation

R1 million for Upgrading of Blacknoll 33/11KV Substation

R1.5 million for Houtbosdorp 11KV Ring

R1 million for Substation Fencing

R6 million for Replacing of old SS1 electrical substation circuit breakers with compact switchgear

R3 million for Replace 11 kV and 33 kV Auto reclosers per annum (Item B53 6/14)

R1 million for Refurbishment of the Ebenhezer 33kV Feeder

These projects Madam speaker will definitely reduce the back log in terms of electricity infrastructure that has been a source of discomfort to ratepayers with specific reference to the disruptions experienced in the farming communities which employs a considerable number of our people and remains the main economic sector for the economy of the Greater Tzaneen Municipality.