

BUDGET SPEECH
2015/16 FINANCIAL YEAR



BY THE EXECUTIVE MAYOR
CLLR T.S KHOZA

**BUDGET SPEECH PRESENTED BY THE EXECUTIVE
MAYOR, CLLR T.S. KHOZA PRESENTED ON THE
OCCASSION OF THE TABLING OF THE 2015/16
MUNICIPAL BUDGET.**

Honourable Speaker,
Esteemed Traditional Leaders Present,
The honourable Chief Whip and Councillors,
Municipal Manager and Senior Managers,
Station Commissioners present
Circuit Managers in our Midst
Representatives from TSB
Representatives from the Sake Kammer
Representatives from NSSF
Representatives from Tourism Organizations
Representatives from Nafcoc
CDWs and Officials, Malalane and Lebombo Taxi
Associations
Representatives from the Nkomazi Council of Churches
Leaders Labour Formations
Members of the Public,
Distinguished Guests,
Comrades, Ladies and Gentlemen:
Good day, Goeie more', Hhami Xaweta, Sanibonani.

Honourable Speaker; It is that time of the year once again where we look in retrospect to the service journey that we have travelled together. As we ponder on the successes and challenges that we have confronted in the outgoing fiscal year; we are equally able to use the benefit of hindsight to plan and budget for better interventions in the ensuing year.

I would accordingly like to take this opportunity and welcome all our esteemed guests and stakeholders to this important occasion.

Such an occasion is particularly significant honourable Speaker because since 1994, local government has been a primary site for the delivery of basic services in our country.

It is common knowledge that Nkomazi Municipality has in the past decade made significant progress in providing the residents of Nkomazi with clean running water, sanitation, electricity, shelter, waste removal and roads.

We remain mindful however Honourable Speaker that some of our growing communities in the rural areas are still without basic services.

We are committed working in partnership with our institutions of traditional leadership and sector departments to eradicate the remaining service delivery backlogs.

It is important however that we point out that a firm service delivery foundation has been laid to provide a basis for the acceleration of service delivery in our communities.

It is primarily for this reason therefore; as we table this draft budget for the 2015/2016 Financial Year, which is the ultimate year of our term in office since our election in May 2011; that we are eager to reflect on our achievements, the challenges that we have identified; as well as our proposed IDP and budgetary interventions that we believe will be able to mitigate the adverse effects of the identified service delivery challenges on our people.

In improving performance as far as the delivery of services is concerned; the national government together with the provincial government have since launched the back to basics approach, which aims at tracking the implementation of service delivery for the next five years.

The Back to Basics strategy is premised mainly on the five pillars of municipal governance.

Its key focus is that of ensuring that the execution of the most basic municipal functions happens in accordance with the set standards in municipalities. The following are the key pillars of the strategy:

- Good Governance,
- Public Participation,
- Basic Services,
- Sound Financial Management and
- Building Capable Institutions

As Nkomazi Municipality we can confirm that no effort will be spared in the pursuit of those objectives.

Honourable Speaker as you may be well aware; Nkomazi Municipality was recently selected by the provincial government to be the host for this years' provincial Africa Day celebrations.

About a fourth night ago more than 500 Nkomazi residents together with foreign nationals marched in Schoemansdal in support of the national call for No Xenophobic violence against foreign nationals .

In this regard we would like to thank the people of Nkomazi who ever since the xenophobic violence erupted in the country; they chose to exercise restraint and embraced our brothers and sisters from other countries.

Xenophobic violence has no place in our country and anywhere in the world. We encourage all our people to continue with the spirit of Ubuntu and recognise that forced migration can happen to anyone including us South Africans.

Honourable Speaker let me on the same vein touch on the subject of youth development in Nkomazi. I will indicate in this particular regard as we enter the youth month that Nkomazi municipality is committed to the development of the youth and recognises that they are the future of our communities.

I am reminded in this regard Honourable Speaker of the words once uttered by the late stalwart of our liberation struggle (Isithwalandwe) Cde. Oliver Reginald Tambo; when he said "A nation that does not invest in its youth has no future"

I am quoting these works deliberately ladies and gentlemen because I am fully aware that they are applicable to all of us here.

As a municipality, as families, as communities, as institutions, we all bear a similar responsibility to invest in the youth of our communities because indeed they are the leaders of tomorrow.

It is for this reason as a municipality that we have remained steadfast in our Student Bursary Programme that we initiated a few years ago.

Today many young school leavers who would ordinarily have struggled with registration fees in tertiary institutions have been given a head-start by the municipality through our Bursary Programme.

We continue year-on-year Honourable Speaker to absorb into our system a number of young people from Nkomazi through our learnership programmes.

We believe that by exposing the youth to practical work environments; we are equipping them with the necessary practical skills which will ensure that they gain sufficient experience to be able to apply for and obtain jobs anywhere.

We have also become renowned for our uncompromising stance in the fight against the HIV/AIDS pandemic.

We remain committed Honourable speaker in pursuing the goal of zero new infections in Nkomazi. We are convinced that with the support of all our stakeholders and our communities; we will achieve this target.

Honourable Speaker the Premier of the Province Hon. DD Mabuza during the state of the province address intimated on the direction that the province will be taking in terms of the re-positioning of our province as a prime destination from investment and tourism.

In this regard he said “As part of destination profiling and branding, we will ensure that our marketing programmes entrench the new Mpumalanga brand. In doing this, we will work with regional partners to undertake joint marketing initiatives, including the strengthening of the regional integration projects such as the TRILAND Brand and Umsebe Accord”

We are proud Honourable Speaker as Nkomazi Municipality that the Umsebe Accord project which we started as a four city project back in 2002; has become the blue print for regional economic integration and provincial branding.

As we all know Mbombela will be hosting the Umsebe annual events this year. The province has committed massive resources to ensure that the Regional Economic Summit that will be hosted under the Umsebe theme becomes a success.

As Nkomazi we are committed to ensuring that the fruits that will emerge from this increased interest in our initiatives are shared by the people of Nkomazi.

Honourable Speaker on the 30th of June 2014 I presented an Annual Budget and IDP for 2014/15 financial year. I am here today to also give a progress report on the advances that we have made on some of the major projects that we have undertaken during the period under review.

It should be borne in mind that due to strategic reprioritisation; a large portion of the budget during the period under review went to water services.

The primary reason for this decision as members would know was the strategic directive and focus by our provincial government; which was geared towards ensuring that every citizen in our province has access to portable water.

We can confirm that as direct outcome of that decision; we diverted a number of other projects to create space for water services projects in our IDP and Budget for the relevant financial year.

We are proud to report that significant progress has been made in this regard and a number of those projects are already complete or nearing completion.

Highlighted below are the performance highlights on some of the projects as indicated:

| Project Location | Project Name | Project Status | Completion date |
|------------------|---|----------------------|---------------------------------|
| 1. Mangweni | Mangweni Bulk Water Supply(6km of 315 mm upvc bulk line,3ML GROUND RESERVOIR 0.3 ML ELEVATED TANK PUMP HOUSE AND WATER RETICULATION | 70 % Construction | To be completed by 30 June 2015 |
| 2. Tonga | Tonga D Elevated Tank +Water Reticulation(0.24MI+3km) | 80% Construction | To be completed by 30 June 2015 |

| | | | |
|--------------|---|------------------|--------------------------------------|
| 3. Mangweni | Mangweni Bulk Water Supply and Water Reticulation | 90% Construction | To be completed by 30 June 2015 |
| 4. Langeloop | Langeloop water reticulation | 70% Construction | To be completed by 30 September 2015 |
| 5. Mzinti | Mzinti water reticulation and pump-house | 90% Construction | To be completed by 30 June 2015 |
| 6. Naas | Nhlalakahle Electricity House Connections | 100% | |
| 7. Mdladla | Mdladla Electricity House Connections | 65% | To be completed by 30 June 2015 |
| 8. Tonga | Tonga Electricity House Connections | 45% | To be completed by 30 June 2015 |

Commented [BS1]:

Honourable Speaker Siyaqhuba; there are a few other projects that are slightly behind schedule ;but we are committed as a municipality through our acceleration plans to making sure that all of the projects are finalised and handed over to the beneficiary communities.

Honourable speaker from the 14th -30th April 2015 as a leadership we undertook several public consultation programmes in which we presented the draft Budget and IDP to several communities in Nkomazi.

We are satisfied Honourable Speaker that the budget decisions that we have made are reflective of the developmental aspirations of our communities on the ground.

I am therefore humbled Honourable Speaker to present for approval the **2015/2015** Medium Term Revenue and Expenditure Framework (MTREF) for the **2015/16**, **2016/17** and **2017/18** financial years.

The MTREF proposes a total budget of **R 996 million** for the **2015/16** financial year.

It appropriates a total operating expenditure of **R582.3 million** for **2015/16** financial year, **R638.2 million** for the **2016/17** financial year and **R666.1 million** for the **2017/18** financial year.

The draft budget further proposes a total capital expenditure of **R413.2 million** for **2015/16** financial year, **R343.6 million** for the **2016/17** financial year and **R366.1 million** for the 2017/18 financial year.

Honourable Speaker; we can confirm without any equivocation that no effort was spared in making sure that the compilation of this draft budget was executed in a manner which complies with the relevant provisions of the MFMA and budget related regulations.

On tariff increases Honourable Speaker let indicate that the tariff increases for the 2015/16 budget have been determined at **8%** on **property rates**, **12.2%** on **electricity** and **12%** for **water, sanitation, refuse and other services**.

Bulk purchases on **electricity** also increased by **14.24%** which is in line with the guidelines of the National Energy Regulator of South Africa (NERSA).

Honourable Speaker our capital expenditure patterns continue to reflect a consistent agenda to address backlogs in the provision of basic services and the renewal of the infrastructure of existing network services.

The draft budget in line with the imperatives of the provincial government has a greater bias towards the eradication of existing backlogs in water services.

Set out below are the budget decisions that we believe have been inspired by the masses of our people as well as strategic direction that we have all adopted.

1. Water Services

Honourable Speaker as indicated above the eradication of backlogs in the provision of water services is a key focus of our municipality and our province. It accordingly for this reason that a significant portion of this budget has been appropriated for water services infrastructure.

we are accordingly injecting an amount of **R 15.9 Million** towards the upgrading of **water services reticulation** and **bulk infrastructure projects** in the following communities; **Kamdladla ; Mbuzini (Baqwa ,Mabundzeni and Durban) ;Magudu; Block B (Joe Slovo) ;Mandulo;Block C (Phakama) ; Nhlabaville and Tonga.**

We will be deploying a further **R 108.2 Million** for the extension of **water reticulation and bulk infrastructure projects** in the areas of **Malalane, Hectorspruit, Marloth Park, Komatipoort, Kamaqhekeza, Sikhwahlane, Louisville, Iangelooop, Phosaville, Tonga, Shongwe Hospital, Mangweni, Masibekela and Dludluma.**

An additional **R 112.3 Million** has been appropriated for the implementation of **water reticulation** and **bulk infrastructure projects for water services** in the areas of **Langeloop (sebokeng and bhekisisa) , Kamhlushwa (Nyathi scheme) ,Masibekela , Mangweni, Schoemansdal, Jeppes Reef, Buffelspruit ,Ngwenyeni, Block C and Block B (Nkanini).**

A further allocation of **R 35 Million** from the **Water Services Operating Grant** and the **Municipal Disaster Recovery Grant** respectively has also be deployed for the refurbishment of our water services infrastructure in Nkomazi.

2. Electricity

Honourable Speaker we remain convinced that access to electricity should be considered as a basic human right.

The extension of electricity to an increasing number of communities year-on-year is reflective of the uncompromising stance that we have adopted in terms of the eradication of electricity backlogs in our communities.

In this regards we can indicate that an amount of **R 10 Million** from the **Integrated National Electricity Grant (INEG)** has been appropriated for **electrification projects** in various communities in Nkomazi.

An additional **R 3 Million** from our **own revenue** will be commissioned towards **electrification projects** in **Marloth Park** as well as the **upgrading** of our **electrical sub-stations**.

3. Community Facilities

Honourable Speaker as we endeavour to strike a balance between meeting basic community's needs, strengthening the local economy and improving social cohesion; we recognise the centrality of community facilities in nation building.

It is accordingly for this purpose that we are investing an amount of **R 9 Million** towards the upgrading of the **Mangweni Sport facility, Mbuzini Stadium** and the **Boschfontein Community Hall**.

We will also deploy an additional **R 11 Million** towards the upgrading of the **Block B Community Hall** and the **Driekoppies Stadium**. The renovation of the **Komatipoort Info Centre** will receive a **R 2 Million** injection.

4. Roads

Accessible road infrastructure is a critical component of economic growth and social development in our communities. It provides the required impetus for the quicker movement of goods, services and our people.

We are accordingly allocating an amount of **R 30.9 Million** towards the **upgrading of bus routes** in the areas of **Driekoppies, Shulzental, Boschfontein, Mafambisa** and **Nkungwini**.

5. Sanitation

Honourable Speaker decent sanitation remains one of the services that are necessary for the dignity of our people. We are therefore uncompromising in the drive to ensure that our people have access to decent sanitation.

We will in this regard be deploying an amount of **R 24.5 Million** towards **improving sewage services** in our communities.

6. Solid Waste Management and Disposal

Solid waste management is another critical aspect of our drive towards entrenching decent sanitation in our communities.

We believe that the municipality should spare no effort in making sure that our solid waste management and disposal capacity is equal to the challenge.

In pursuance of this objective we are appropriating an allocation of **R 4.4 Million** towards the **Nkomazi Landfill site** and the purchasing of **2x Refuse Trucks**.

Honourable Speaker we recognise as we conclude our final lap of the current term of office that whilst a lot has been achieved since we assumed office in May 2011; a lot more work lies ahead.

Madiba taught us to embrace the courage of our convictions when he said “after climbing one great hill; one only discovers that there are many more hills to climb.

We are greatly encouraged however that as we climb each hill, our people are always right there behind us; giving us the encouragement that we need in order to go further for their benefit.

Honourable Speaker as I conclude my address may I also mention that we are concluding the current financial year limping and with a heavy heart as we have lost several staff members including two Directors in our institution.

Members will recall that we have lost the Director for Infrastructure Development; the Late Mr. Weekend Nhlambo (May his soul rest in peace); we have also lost the Chief Financial Officer Mr. Bongani Khoza who has resigned.

We are doing everything in our power to ensure that those unexpected departures do not impact negatively on our capacity to deliver services to our people.

We are convinced that through our collective wisdom and unity of purpose; we will be able to achieve the grand ambitions that are espoused in this budget statement.

Each one of us must take individual and collective responsibility in making sure that the aspirations that we seek to fulfil through this budget are realised.

Allow me Honourable Speaker to take this opportunity and thank the Council of Nkomazi Municipality for its on-going support and guidance to me and my colleagues in the Executive; as we endeavour to fulfil every mandate delegated to us by council.

Members of the portfolio committees and all other committees of council; we also thank you for your commitment and courageous work ethic.

We further recognise the indispensable role played by our administrative personnel and stakeholders. We encourage you to work even harder in the upcoming financial year in order to produce the kind of audit outcomes that we can all be proud of.

Honourable Speaker this draft budget and IDP is an expression of the aspirations of our people. On its own it cannot achieve the desired outcomes.

It requires the discipline and commitment of men and women who will be resolute in making sure that the institution does not punch below its weight; and that all institutional efforts are in kilt with the set norms and standards as well as the aspirations of our people.

Honourable Speaker I present for adoption the IDP and Budget for the 2015/16 financial year.

I THANK YOU