

MAYOR BUDGET SPEECH

2018/2019 FINANCIAL YEAR

Honourable Speaker

Honourable Chief Whip of the ruling party

Members of the Executive

Honourable Councillors

Members of the public present

Municipal Manager and Senior Management

Managers

Ladies and Gentlemen

I am going to present 2018/2019 budget in the centenary year of our struggle icons Nelson Mandela and Albertina Sisulu.

The challenge of our time is to build South Africa in which all people have a decent standard of living, access to economic opportunities and opportunity to pursue their dreams.

Madam Speaker, as we celebrate and commemorate the role played by the youth of 1976, it is important that we invest in our youth, because the nation that does not consider its young people is a lost nation.

The socio-economic factors such as HIV/AIDS, drug and substance abuse are affecting our young people. As a result, the budget has catered for the following programs in the 2018/2019 budget year. Namely HIV/AIDS programs, youth development programs, school enhancement activities, early childhood development programs and financial assistance for tertiary education.

It is these core aspirations which the budget must speak to, enable and indeed, advance.

Council approved a budget process plan at the end of August 2017 regarding the compilation and approval of the 2018/2019 budget and tariff list; and to comply with the process as required byMFMA, Act 56 of 2003 and Municipal budget and reporting regulations. One of the remaining activity in the approved process plan is the approval of 2018/2019 budget and tariff list.

The application of sound financial management principles for the compilation of the municipality’s financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitable to all consumers.

 The main challenges experienced during the compilation of the 2018/2019 budget can be summarized as follows:

* The on-going difficulties in the economy;
* Aging infrastructure
* The increased cost of bulk water and electricity
* Wage increases

For Nala Municipality to improve the quality of services provided to its consumers, it needs to collect the required revenue. The reality is that we are faced with developmental backlogs and poverty. The expenditure required to address these challenges will always exceed available funding; hence difficult choices had to be made in relation to tariff increases and balancing expenditure against anticipated revenue.

The budget was presented to the stakeholders through stakeholder consultation process.

Speaker, it is therefore my pleasure to highlight the following aspects of the 2018/2019 budget.

Capital Budget

The total capital budget for 2018/2019 amounts to R33, 407 million.

Funding of Capital Budget

Municipal Infrastructure Grant R29, 107 million

Integrated National Electrification Programme R3, 300 milliom

Own funds R1, 000 million

The following major projects will be undertaken during the 2018/2019 budget year:

|  |  |  |
| --- | --- | --- |
| Project Name | Amount | Funding |
|  |  |  |
| Office Equipment | R1m | Own Funds |
| Electrification | R3,3m | Dept of Energy |
| Fencing of Cemeteries-Monyakeng | R2,3m | MIG |
| Sport Facilities | R1,4m | MIG |
| Hawker Stalls-Taxi Rank | R1,1m | MIG |
| Construction of Paved Road-Matamong | R550, 759 | MIG |
| Construction of Paved Road-Mpumalanga | R4,7m | MIG |
| Construction of Paved Road-Mongane Street | R10,1m | MIG |
| Paved Roads-Monyakeng | R6,1m | MIG |
| Water & Sanitation-Bothania | R962, 115 | MIG |

Operating Budget

The total operating revenue amounts to R345, 020 million and total operating expenditure amounts to R446, 579 million for the 2018/2019 financial year.

The following tariff increases are budgeted for:

* The tariff for property tax will increase by 6%
* Water tariff will increase by 6%
* Sanitation tariff will increase by 6%
* Refuse removal tariff is reduced from R145.00 to R93.00 to make it affordable to our consumers.
* Electricity will increase by 6.8% subject to NERSA approval.

For 2018/2019 budget year, we have registered 9300 indigent who will receive the following:

* 6kl of water
* 50kwh of electricity
* 100% sanitation
* 100% refuse removal; and
* 100% property tax

I want to thank all councillors and officials who were involved in the budget process to put such product on the table. We would also like to thank our communities for their valuable inputs during the budget process.

Speaker, I take pleasure in presenting this budget speech and the Medium-Term Revenue and Expenditure Framework for the 2018/2019 budget year to council for consideration and approval.

Mayor

Nala Local Municipality

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