

# **BUDGET SPEECH**

**29 MAY 2019**

**GREATER GIYANI  
MUNICIPALITY MAYOR**



**CLLR  
BA Shivambu**







ADDRESS TO THE GREATER GIYANI MUNICIPALITY  
COUNCIL BY THE HONOURABLE MAYOR, CLLR.  
SHIVAMBU BASANI AGNES ON THE OCCASION OF  
THE 2019/20 IDP/BUDGET SPEECH.  
29 MAY 2019 (GIYANI COMMUNITY HALL)

Honourable Speaker and the Chairperson of Council,  
Cllr Hlungwani M.P  
Hon. Chief Whip of the African National Congress  
Cllr Mashale M.R  
Heads of Portfolio Committees and Fellow Executive  
Committee Members  
Chairperson of Municipal Public Accounts  
Committee, Cllr Mabasa R.O  
Hon.Chair of Chairs Cllr Malungani E  
Honourable Councillors  
Tihosi na mi mfumo swivongo hi ku hambana  
hambana ka swona.  
Municipal Manager and All Municipal Officials  
Officials from Sector Departments and Parastatals  
Members of Ward Committees  
Leadership of the African National Congress,  
Leagues and Alliance Structures



**Political opposition**

**parties in Council**

**Leadership of organised  
labour Youth structures**

**Leadership of various religious denominations**

**Business Community and all our social partners**

**The Media**

**Distinguished Guests, Comrades and Friends, Ladies  
and Gentlemen**

**Vaaka tiko va Greater Giyani**

**Ndza Milosa,**

Hi ti 25 ta May 2019, tiko nkulu Afurika ri tlangele leswi  
tivekaka hi Africa day. Hi siku leri fanaka maafurika  
dzonga a va hlanganile e Loftus stadium ku ya veka  
mupridente wa hina vona nkulukumba Maatamela  
Cyril Ramaphosa exitulwini.

**Muchaviseki Xipikara**

Leri ri vile siku ra matimu ku nga ri e ka maafurika  
dzonga ntsena, kambe eka tiko hinkwaro ra Afurika. Hi  
vone kwalomu ka ku tlula 27 wa varhangeri va matiko ya  
ku hambana hambana la afurika va tile ku ta va  
timbhoni ta ntirho lowo xonga swonghasi.

Ndzi rhandza na ku mitsundzuxa leswaku siku leri ra ti  
25 ta May 1963 ku tumbuluxiwile Organisation of the  
African Unity (OAU) hi xikongomelo xo kondletela  
maafurika ku va nyandza yin'we.





Xisweswo, ndzi ri a hi khomaneni  
hi ri maafurika hi hanya swin'we no  
ti nyungubyisa hi ndhavuko na mfuwo werhu.

### **Muchaviseki Xipikara**

Ndzi rhandza ku teka nkarhi lowu ku khensa vaaki hinkwavo va  
Giyani swin'we na maafurika dzonga hinkwavo loko vathlele va  
kombisa ku tshembha eka African National Congress hi ku hi  
vhotela leswaku hi ya emahlweni hi va fambisa tani hi mfumo.

Ndzi ri xiandla ehenhla ka xin'wana. Xa hina sweswi l ku mitisela  
vukorhokeri hi khinkhi, ku tiyimisela na ku tshembheka. We will  
never betray your trust indeed.

### **Muchaviseki Xipikara**

Exikarhi ka hina ku na vuendzi byo hlawuleka swinene bya vana va  
xikolo xa le henhla xa Khomani Mbhalati e Munghonghom. Ndzi  
rhandza ku teka nkarhi lowu ku tivisa huvo ya khansele na vanhu  
hinkwavo haleno leswaku hofisi ya meyara yi adoptile xikolo lexi  
ximfumo.

### **Honourable Speaker,**

During his inauguration speech on 25 May 2019, President Cyril  
Ramaphosa said that the challenges we face are real but not  
insurmountable. He emphasised that those challenges can be  
solved no matter how big they are. Adding that South Africans  
want action and no more just words and promises.





**Honourable Speaker,**

My promise to this august house in line with what the President said is that indeed there will be action.

**Honourable Speaker**

I am most privileged to report on what we are doing as government in general, and the municipality in particular, the challenges we are encountering and the plans we have put in place to improve the conditions of living of our people.

**Honourable Speaker**

As per the precepts entailed in the constitution of this democratic country, let me indicate to your respectable house, that in January this year, we as the executive committee and management, held a strategic planning session in Blyde Canyon. It is during this time that we confirmed the municipal vision, mission and objectives. This, for the sake of determining the types of strategies to employ in order to fast track the most needed service delivery.

We also analysed the projects and programs which have been under implementation both from the previous financial years to date, as well as come with new ones, in order to realize our set objectives as per our mandate. Of course this we did not do in isolation. The unwavering cooperation we as a municipality have with sector departments, has presented us with an assortment of





projects and programs which, in my view, will bring a great change for the better in the next financial year.

### **Honourable Speaker**

We are pleased to report to this august house that this budget is informed in the main by our extensive Integrated Development Programme (IDP) Public Participation Process we undertook in preparation for this day. This was an important consultation process to ensure ownership of the budget we are to present today. We thank you indeed for participating.

### **Town Planning and Land Use**

Honourable Speaker

I am particularly pleased to announce that we will speed up the process of proclaiming all open spaces in town as well as the townships. We hope that this will assist us in terms of fighting illegal occupation.

Meanwhile we have set aside R3million to contribute towards the town expansion project in relation to land to be made available by Mabunda Traditional Council. Equally we are pleased to announce that township establishment process at Siyandhani village is set to begin. We will also ensure that sites are demarcated for residential purposes at various villages.





We are currently demarcating at Ndhambi and Sikhunyani villages. This in light of the fact that the municipality have a serious backlog in as far as sites demarcation is concerned. In the light of this, the formalisation of Church View and Risinga/Makosha extension are under implementation. Furthermore, deeds registration of 539 sites at Giyani Section F is in the process and almost in the finalisation stage. Meanwhile the street naming of Giyani Section D is under implementation.

### **Honourable speaker**

The Spatial Development Framework (SDF) as well as the Local Economic Development Strategy will be reviewed respectively.

Under local and economic development (LED), we noted a major boost in local economy through the development of the New Masingita Mall, which on average has created 500 sustainable job opportunities. This is one of the springboards for further development attraction in Giyani.

Noteworthy to highlight is that the municipality has taken the business registration function and businesses are accordingly urged to come and register their business as well as renew the operating licences.

### **FINANCIAL VIABILITY**



## **REVENUE COLLECTION**

### **Honourable Speaker**

In order for this municipality to remain afloat it is essential that we improve our revenue collection rates, we need to ensure that we vigilantly implement our revenue enhancement strategy as well as enforcement of our credit control policy and by-law.

Our revenue base remains under pressure and needs to be expanded over the medium term to sustain the financial position of the municipality. We once more call upon our residents to show their support by prioritising payment of municipal services to build a better future in improving the living conditions of all residents.

Municipal councillors should educate and teach our residents the importance of paying for municipal services.

## **TARIFF INCREASES**

In order to continue providing sustainable services, the municipality will maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality.

In this regard some cost drivers may necessitate increases above Consumer Price Inflation (CPI).





It is on this basis that tariffs are reviewed in order to ensure sufficient cash is generated to remain focused on effective service delivery that is economical and equitable to all communities.

The following table reflects the multi-year tariff assumptions for the 2019/20 Medium Term Revenue and Expenditure Framework (MTREF):

<b>Revenue category</b>	<b>2019/2020 Proposed tariff increase</b>	<b>2020/2021 Proposed tariff increase</b>	<b>2021/2022 Proposed tariff increase</b>
	%	%	%
Property Rates	5.2%	5.4%	5.4%
Water Services	5.2%	5.4%	5.4%
Sanitation	5.2%	5.4%	5.4%
Refuse Removal / Solid Waste Sales	5.2%	5.4%	5.4%

Property rate increases are necessitated by among others the inflation rate. It is therefore pertinent that in light of the inflation forecast and our need to remain afloat as critical government institution that property rates are increased. The property rates will go up by 5.2%, this increase is in terms of the Municipal Budget Circular No. 94 for the 2019/20 MTREF

When inflation rises, the cost of delivering services also increases, these include labour costs, maintenance costs and running cost. These factors call for an increase in





user charges. Having taken into consideration the various factors such as income levels, unemployment and off course the inflation forecast the following increases will be implemented in the 2019/20 financial year. Refuse will go up by 5.2%, Water will also go up by 5.4% and so is sewer.

Rental of municipal facilities are based on cost recovery. Factors such as electricity costs, water usage, maintenance costs, personnel costs, overtime costs and cleaning material were taken into account.

### **INDIGENTS**

Registered indigents will continue receiving the following services:

- Ø 100% rebates on assessment rates
- Ø Free 6 Kilolitres of water
- Ø Free refuse removal

The municipality is calling upon residents who qualify for indigents packages to come forward and register so that they also can benefit from this package

### **SPECIAL PROGRAMMES**

**Honourable Speaker,**

We have annual budgets allocated for the following special programmes in the Office of the Mayor: Gender,





Youth, Older Persons & Children, Disability, HIV/Aids and Traditional Affairs. These programmes are coordinated by specific officers placed in the Mayor's office.

### **Honourable Speaker,**

It is important to note that we have so far been able to offer our support materially to various Traditional Councils during their specific activities ranging from coronations, funerals as well as celebration of their special days. By this gesture, we are saying to the Traditional leadership that you occupy a special place in this municipality.

### **Honourable Speaker**

## **INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY**

### **Provision of Water**

Honourable Speaker,

For years, the municipality has and continues to face the challenges of water shortages due to the persistent drought conditions and inadequate water infrastructure. However, we are consoled by the recent visit of the former Honourable Minister of Water and Sanitation, Mr. Gugile Nkwiti, who made an assessment on the current water project and has since resuscitated the project and







we are hoping to have it completed within the 2020/21 financial year.

Despite the challenge of water shortages, the municipality continues to strive to render water services to its communities, including the provision of portable water, water provision at funerals and other key occasions through our reticulation water system and utilising the recently procured water tanker truck.

## **Housing and Sanitation**

### **Honourable Speaker,**

With the assistance of the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs, over 300 RDP housing units were allocated during the 2018/19 financial year. Whilst a total of 300 housing units have been allocated to Greater Giyani Municipality for implementation during the 2019/20 financial year.

With all these allocations, we are not ignorant of the huge housing backlog that still confronts us. This only reflects the reality of the growing number of our people in need of affordable housing.

Meanwhile we have went to refurbish and build houses at Giyani Section F, Homu14B, Homu 14A, Mahlathi, Siyandhani, Mashavele and Mageva villages.





road that is of good quality to community within the 2019/20 financial year hence the project has further been catered for within the 2019/20 financial year.

The outcry for soccer pitches with lawn on our sport facilities has reached the attention of the municipality During the 2018/19 financial year the backlog on electrification of our villages has been reduced and numerous villages were energised, that is, Mahlathi, Ximawusa, Ndindani, Vuhehli, Sekhiming, Dzingidzingi phase1. Mbaula and Dzingidzingi phase 2 are still under implementation and it remains our commitment to energise them by 28 June 2019.

We acknowledge delays in energising of the 51 High Mast lights, however, we continue to work with Eskom to ensure that we energise them as soon as possible.

The municipality has recently commenced with the construction of Three (03) projects; namely Section E upgrading from gravel to tar, Section F upgrading from gravel to paving and the completion of Mageva sports centre.

The municipality further acknowledges unique challenges that has resulted in an incomplete road infrastructure (Homu 14B to A) project and the municipality wishes to announce that various intervention strategies are currently being implemented to resuscitate the project. The municipality further thrives and commits to deliver a





hence the municipality's resolve to refurbish soccer pitches at Homu 14B, Gawula, Shivulani, Mageva and Giyani Section E Sport Centres. The target of the municipality is to ensure that the sports facilities become usable by the end of 2019/20 financial year while pursuing the option of completing the outstanding scope in phases.

In addition, the municipality further looks forward to the implementation of the following projects:-1. Completion of the Waste Disposal Site aimed at, in line with the municipality's Vision, encouraging environmental sustainability within the municipality. The Lighting of Giyani CBD in aim of encouraging a safer surrounding on areas seen to be crime hotspots, such as the Giyani Taxi Rank.

Honourable Speaker, I am pleased to announce that the energising of the 51 high mast lights is underway and should be completed by 30 June 2019.

As the municipality progresses in terms of developing new infrastructure, the need to maintain existing infrastructure still remains a priority hence the following infrastructure maintenance projects have been prioritised for the 2019/20 financial year:-

1. Rehabilitation of the tar road leading to the Giyani Cemetery and re-gravelling of the internal ring road.
2. Rehabilitation of Mninginisi Block 2 ring road.
3. Construction of the Bon'wani Culvert Bridge.







Meanwhile we continue to do well on our EPWP programme, we were rewarded handsomely last year for achieving our national targets and for that reason, other municipalities continue to benchmark from us.

## **Roads and Transport**

### **Honourable Speaker**

We cannot down play the seriousness of the backlog we having in as far as road infrastructure is concerned. We are however, consoled by the fact that the former MEC for Public Works, Roads, and Infrastructure Mme Nandi Ndalane has committed to tar both Mageva to Makhuva road and Thomo to Hlomela road. In the interim, we will continue to urge the Department to maintain all gravel roads on a regular basis to make life much easier for our people.

Additionally, the municipality has committed to co-fund the implementation of Xikukwani to N`wadzekudzeku and Nkomo B to Nkomo A upgrading from gravel to tar.

The plan to construct an alternative road leading into the CBD is currently at design stage. The construction of the new Municipal Offices is in progress, and is envisaged to be completed within the 2019/20 financial year.

## **Community Safety**



*Honourable Speaker*

We are proud to report that we have enhanced and strengthened our capacity for ensuring road and traffic safety. The operationalization of the integrated traffic management system, which includes amongst others, the operationalization of a mobile road speed camera service, infringement road blocks and eNATIS licence renewal blocking, has helped inculcate a culture of good and responsible road behaviour, thereby reducing lawlessness on our roads.

Over and above enhancing road safety, the implementation of the integrated traffic management system has and continues to contribute greatly to enhance revenue generation for the municipality.

*Honourable Speaker*

We have noted the rapid increase of clients coming to our Licencing Station for various licencing services. This is evident that people have confidence in us to provide them with the much needed services. We will continue to best render these services to our citizenry.

The increased client base has posed some challenges where the municipality has to heighten its capacity to respond to the large numbers that confidently come to us to be serviced. We have prioritized to capacitate the Traffic and Licencing Unit in 2019/20 so that it is able to respond to the service demand. We hereby encourage





our communities to continue coming to us to be serviced, we commit that we will do all reasonably practical to continue improving our services.

## **Sport, Art, Culture and Recreation**

### **Honourable Speaker**

It is a well-known fact that we are doing well with regard to sport, arts and culture in the municipality. Amongst others we have so far achieved the following during the year under review:

- We have grown the Mayor's cup both in popularity and stature. The Mayor's Cup continues to contribute in nurturing and unearthing the talents of our young people.
- We distributed several kits to various wards through our sports development programme. This year, we have expanded our support to include support for cricket codes. Two under 15 teams will be supported during the financial year under review and it is planned that they should participate in the Mayor's Cup 2019.
- We successfully celebrated our Heritage through the Arts and Culture Festival in November 2018. Just over the past weekend, we have had the local Indigenous Games at Mapayeni village.

## **Environment and Waste Management**

### **Honourable Speaker**



The municipality continues to constantly render refuse removal services to our communities, in particular the township. However, it should be noted that our efforts are hampered by some of our residents who continue to dump illegally in prohibited areas. I hereby thus make a call to all our residents to act responsibly and respect the environment.

**Honourable Speaker**

It is with pleasure to announce that the municipality has secured R5 million for conversion of illegal dumps into recreational facilities and the development of a park in Giyani Section F.

Additionally, the municipality has secured an allocation of a budget of R15 million for the establishment of Mahumani Community Nature Reserve and R20 million for the establishment of Vahlave Community Conservation Project, both from the Department of Environmental Affairs.

**GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

We can proudly indicate that Municipal Council remains stable as the Council and its Committees are functional and able to discharge their Legislative mandate.

Furthermore, all Ward Committees are functional and the community is able to participate in all affairs of the municipality in line with Legislation.

**Honourable Speaker**





The municipality has prioritised to fill all critical vacant positions during the 2019/20 financial year and budget has been set aside to this effect.

## **TRAINING OF COUNCILLORS AND MUNICIPAL EMPLOYEES.**

We remain committed to training our employees and councillors in order to improve work based skills and knowledge to enable them to perform their respective functions competently.

## **BURSARIES TO MUNICIPAL EMPLOYEES.**

### **Honourable Speaker**

It is important to note that the municipality has awarded bursaries to all qualifying municipal employees who applied during 2018/19 financial year in line with the Training and Development Policy.

Amongst others, the bursaries seek to help employees to study for qualifications relevant to their areas of operations, improve their skills, knowledge and experience as well as to enhance productivity.





**Honourable Speaker,**

Ours is to create an enabling environment for smooth running of the municipality and that cannot be achieved unless the staff establishment is well equipped and supported adequately.

To this end, Council will stop at nothing in ensuring that all key positions are filled and its personnel are continually capacitated.

## **AUDIT**

Honourable Speaker,

It is with pride to pronounce that the Auditor General's report for the 2017/18 audit has improved from an adverse to a qualified opinion with regard to finances. We have also improved in terms of overall performance audit outcome from qualified to unqualified opinion.

With this recorded improvements, we aspire to further improve on the audit performance.

All we need to do is to constantly monitor progress on the developed Audit Remedial Action Plan in order to ensure that it is fully implemented. Our ultimate goal is to get a clean audit and nothing else, and we must be seen to be all working towards that goal.

**Honourable Speaker,**





The Budget I am to present is in line with the provision of the Municipal Finance Management Act, amongst other things the following are legal imperatives for consideration:-

The Council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year (MFMA/Section 16 (1)).

A municipality council must at least 30 days before the start of the budget year consider approval of the annual budget: MFMA Section 24(1). An annual budget must generally be divided into capital and operating budgets: MFMA/ Section 17(2).

An annual budget must be funded from realistically estimated revenues to be collected, cash-backed accumulated funds from previous years surpluses not committed for other purposes, and, borrowed funds ( but only for the capital budget): MFMA/Section 18 (1).

An annual budget must be approved together with the adoption of resolutions as may be necessary: MFMA Section 24(2)(c) and Regulation 17(Municipal Budget Reporting Regulation) requires a municipal council to consider and adopt separate resolutions dealing with each of the items contemplated in Section 24(2) (c) of the MFMA.



The Municipal budget for the financial year **2019/20** amount to **R436 061 000**

### **BREAKDOWN OF ANNUAL BUDGET**

Capital projects budget	R 111 350 266
Operational Projects (Electrification)	R18 000 000
Capital acquisitions (assets)	R 8 500 000
Employees Related Costs	R 158 282 720
Remunerations of Councillors	R 24 085 781
Programmes	R 24 011 000
Repairs and maintenance	R 14 635 000
General expenses	R77 196 233
<b>Total Expenditure</b>	<b>R436 061 000</b>
Funded as follows:	
Grants & Subsidies	R363 712 00
Municipal own revenue	R72 349 000
<b>Total Revenue</b>	<b>R436 061 000</b>

**Honourable Speaker,**

I now formally present the final IDP and MTREF budget for 2019/20 financial year and the two outer years 2020/21, 2021/22 coupled with the Tariff Structure, Service Standards (in terms of MFMA

Budget Circular no. 75 and 78), Organisational Structure and budget related and other policies for Adoption by Council.

**Ndza Nkhensa!**